

**ESTIMATES COMMITTEE F**

Mr A. I. McNamara (Chair)

Ms D. Boyle

Mr R. G. Hopper

Mr V. G. Johnson

Mr D. W. Livingstone

Mr T. L. Strong

Mr P. W. Wellington

**PUBLIC WORKS AND HOUSING****IN ATTENDANCE**

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

**Department of Public Works**

Mr M. Grierson, Director-General

Mr G. May, Deputy Director-General

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

Mr D. Gilbert, Director, Built Environment Research Unit

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

Ms C. Tonkin, Director, Queensland Purchasing

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. Lavercombe, General Manager, Property Portfolio Management

Ms M. Brown, Director Community Renewal

Mr D. Short, Manager, Budget and Financial Reporting

Ms C. Mason, General Manager Residential Tenancies Authority

Ms E. Reed, Policy Advisor

Mr I. Jennings, General Manager, Building Services Authority

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The committee commenced at 8.30 a.m.

**The CHAIR:** I declare this meeting of Estimates Committee F now open. On behalf of the committee, welcome, ladies and gentlemen, to today's hearing. I am Andrew McNamara, the member for Hervey Bay and chair of the committee. My fellow committee members are Vaughan Johnson, the member for Gregory and deputy chair; Desley Boyle, the member for Cairns; Don Livingstone, the member for Ipswich West; Trevor Strong, the member for Burnett; Ray Hopper, the member for Darling Downs; and Peter Wellington, the member for Nicklin.

This committee will examine the proposed expenditure contained in the Appropriation Bill 2002 for the portfolios of Public Works and Housing, Innovation and Information Economy, and Transport and Main Roads—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 is allotted to non-government members. Government members and non-government members of the committee will take turns at asking questions in blocks lasting approximately 20 minutes.

In relation to media coverage of today's hearings, 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. Please also ensure that mobile phones and pagers are switched off while in the chamber so as not to disrupt 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 Public Works and Housing. The time allocated is three and a half hours, with a half hour break between 10.00 a.m. and 10.30 a.m. The first area to be examined is the proposed expenditure for Public Works and other government-owned corporations that report to the minister. We will continue after morning tea with the Department of Housing.

I declare the proposed expenditure for the Minister for Public Works and Minister for Housing open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

**Mr SCHWARTEN:** Not really, except that I had better introduce myself, given that 500 people do not know who I am.

**Mr JOHNSON:** I know who you are, mate.

**Mr SCHWARTEN:** The only thing I would say is I draw your attention to the various displays that we have here this morning which illustrate the diverse nature of the portfolio of Public Works, from Goplants behind you there, to work from apprentices, SDS and major projects such as Roma Street, and so on. Let's get into it.

**Mr JOHNSON:** How could they not know you?

**The CHAIR:** They will.

**Mr SCHWARTEN:** Well, you and I share the same good face for radio, shadow minister.

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

**Mr HOPPER:** In relation to building industry services, page 3-4, and the failure to meet the estimated target for unlicensed contractor investigations, I read your explanation and I understand that more staff have been employed. However, what other resources have been allocated to this task, as it obviously was a bigger problem than anticipated, and how many extra staff have been employed to investigate unlicensed contractors?

**Mr SCHWARTEN:** That is actually a portfolio area that is tied to housing rather than public works. I have Ian Jennings here, who can answer that to some extent. You would be aware that we have had a number of blitzes against unlicensed contracting in Queensland and that has been very successful, in my book. Some people criticised us for telegraphing the fact that we were going to go out there and blitz the industry, but the idea is to get people licensed and to get people who are incompetent out of the industry. Anyway, Ian can answer that question in detail for you.

**Mr JENNINGS:** Being a regulator, I suppose one of the major issues is compliance. The issue over, probably, the past two years prior to this financial year is resources to put into the new financial requirements, the new licensing criteria that was put in place, to really make sure that licensees meet those new financial requirements. That happened as a result of the previous minister, Judy Spence, putting those new financial requirements in place. So a lot of resources were focused on that.

Touching upon unlicensed contracting, what we developed last financial year was a compliance strategy. The compliance strategy really is going to focus upon unlicensed contracting, focus on non-payment of insurance premiums, also look at offences under the Domestic Building Contracts Act and focus on such minor offences such as signages on site and those sorts of issues. To achieve that, the aim is four additional staff to be put into the compliance area.

Also, we are looking at a number of blitzes. We had two blitzes, as the minister referred to before, throughout the state in the last financial year. We conducted about 5,000 of those blitzes. In the MPS we talk about, I think it was, 300 targeted. That refers to investigations that were referred to us. We also had the blitzes. That was 5,000 interviews. We detected about 250 unlicensed contractors out there through that blitz. We are planning this financial year two more

blitzes, one to be an advertised blitz and the other one a random blitz throughout the state: one promoting the issue of being licensed and the other one making sure that people are licensed to remove the cowboys from the industry. It was successful last year in making sure that individuals were licensed and I believe that over the next 12 months you will see an increase in licensed practitioners.

**Mr SCHWARTEN:** That will do you.

**Mr WELLINGTON:** On page 1-1 of your Ministerial Portfolio Statements you refer to the Department of Public Works as playing a vital role in assisting the Queensland government and its agencies in identifying and accessing appropriate infrastructure services and supplies. Numerous state government department officers and agencies in this state are not connected to town water and rely on the traditional rainwater tank as the primary source of drinking water. Today I understand there is a range of products on the market from cement, tin, plastic and fibreglass rainwater tanks. Do you or your department have any policy on the preferred type of rainwater tanks?

**Mr SCHWARTEN:** No, we do not. I am aware of your great passion in that area and it is something for which I have some sympathy. One of the great problems—and the honourable member for Gregory will bear me out on this—that we will have in our future world will be population growth versus water supply.

**Mr JOHNSON:** If we had a bit of rain, we'd be right.

**Mr SCHWARTEN:** It is no good having rain if you do not have a rainwater tank—I think that is what the honourable member is pointing out. We have a variety of products encompassing everything from galvanised iron to plastic, and so on. I am aware that there are some issues out there. People talk about plastic rainwater tanks, for example, as being contaminated. One of the things that I have done as the Minister for Housing, in cooperation with Public Works, is to actually set up a number of research houses in Queensland. We have got one of those in Rockhampton—actually, the plans are on the wall there—and it has a plastic rainwater tank. It is the intention of the Built Environment Research Unit to study that and, indeed, to study all the tanks that we have. My own view, as I say, on the use of water tanks is that more and more in our society I think we need to look at every way that we can to conserve water and I think they are a good way of conserving water.

**Mr HOPPER:** With regard to the building industry services stronger compliance program, page 3-2, how often do the BSA staff check on site signage, because recently I checked some building sites here in the city and very few were complying with the sign requirements. In fact, some had no signs at all in regard to who the legal contractor was.

**Mr SCHWARTEN:** Every government site that we have got is certainly signed, to my knowledge, but you may well have a point there. Again, I will ask Ian Jennings to go into the details of that.

**Mr JENNINGS:** Signage is a minor offence, really, under the Building Services Authority Act. Every time we go on site with regard to an unlicensed contracting search, we check to see whether there is signage on site. Plus, we get referred by individuals whether signage is on site and we check those particular sites. So every reference that is referred to us, I put resources in to go out and look at the signs to make sure there is signage. We use the SPER system and it is a ticketable offence with regard to signage, so we issue a ticket. Now, if it is a repeat offence—a number of offences—we then look at prosecutions.

Signage is critical in notifying individuals of the builder. I believe it is probably a positive issue, too, to inform the community about the building company and the type of work. It informs the individual that they are licensed and the community that they are licensed. It is really done as a part of our compliance strategy with other offences, such as unlicensed contracting and any matters that are referred to us.

**Mr SCHWARTEN:** Thanks, Ian.

**Mr HOPPER:** This relates to that other question, too. As you know, there is a fine of \$1,500 for non-compliance. Surely if these smaller things are not policed then some builders will try and get away with other things. What are you doing about the policing? Whilst you talk about stronger compliance, what are you going to do about these issues?

**Mr SCHWARTEN:** You are right about the policing. Of course, that comes at a cost. Where do we get the money from? We get it from the building industry. We can put as many building coppers on the job as you like but, in fact, the industry ends up paying for that at the end of the

day. Certainly there are builders out there who will do the wrong thing every chance they get—rob people and put up shoddy buildings. I do not know whether you saw *A Current Affair* the other night? It was in my own electorate, a bloke called Rutherford. How he ever got a builder's licence I do not know. I do not think he would know a roof batten from a floor joist. Just hopeless! But we have got him, we have caught him, and we will continue to do that. However, we can only provide resources into that field at the level at which the industry can fund the licensing system. As I say, we can put as many as you like there, but the industry will have to pay for it and that will have a cost to the consumer. Ian, you might want to add something to that.

**Mr JENNINGS:** The minister is correct; it is how far do you go with regard to compliance in the industry. I could put just about everyone into the field to check on compliance. It is a major issue. Yes, there are your cowboys, your rogue builders out there. I believe over the last 12 months the minister and I, as general manager at the BSA, have been tackling a number of the rogues and trying to stamp those out of the industry and really looking at the critical defects out there. We have had a number of working parties which have been formed by industry looking at some of the defects such as water proofing, subsidence—which I know is a concern to the minister—or movement which is happening out there in the industry.

**Mr SCHWARTEN:** Over half of our insurance claims—about half?

**Mr JENNINGS:** Yes. Last financial year, we paid out about \$7 million in subsidence problems out there in the industry, so it is of concern to—

**Mr SCHWARTEN:** Engineers mainly.

**Mr JENNINGS:**—myself and the minister about trying to address some of the defects, some of those major problems. It is a very emotional time when you are building a house and you do have defects. I have confronted—

**Mr SCHWARTEN:** It is pretty emotional when it falls to pieces around your ears, too!

**Mr JENNINGS:** It is those major problems that we are really focusing upon and making sure that we stamp those out.

**Mr SCHWARTEN:** Thanks, Ian.

**Mr HOPPER:** I refer to building procurement and asset management, page 1-13, and to complete construction of the Suncorp Metway Stadium redevelopment. In estimates last year the minister stated that Multiplex and Watpac had given a guaranteed construction sum for this stadium. Does the minister think that this guaranteed construction sum and the fact that most projects have an increase in costs may have caused corners to be cut and that this was the reason for workers' lives to be put in jeopardy because of the fallen piers on the site? After all, this is not the first time Multiplex has had a workplace health and safety problem on one of its sites.

**Mr SCHWARTEN:** It is probably not the first time that any building in Queensland has had a problem with workplace health and safety. Over a period of time we have certainly tightened the screws on all building companies in this state as part of their contractual relationship to ensure that they have decent workplace health and safety requirements. I make no apology for the director-general and myself both discussing with the joint venture partners the need for them to toe the line in that regard. However, there is an investigation into that, so I do not want to say anymore until the evidence is out. But the member's assertion, like that of the Leader of the Opposition, that a building company in Queensland would cut corners and endanger the workplace and endanger the workers who work there is a pretty hot thing to say. I do not know of any contractor in this state who does work with the government that would lean on its employees to the extent that it almost killed them. That is what the suggestion is. Certainly, I as a minister, with a background in the building industry, would never make such a requirement on somebody. I know that the director-general and the rest of the department would not do that, either. It is absurd to suggest that a contractor has been agreed to, an elective time has been agreed to and a sum of money has been agreed to—which has not changed since estimates last year—and that somehow or other pressure has been applied on the company to get the project finished. I think the project is going very well. It is on time. It is on budget. There was an incident the other day which I would have preferred did not happen, but it did. The company concerned has been told to toe the line in that regard. The member's suggestion that I or anybody in the Department of Public Works would lean on a contractor, force that person to cut corners and endanger people's lives is quite offensive both to me and I am sure to those companies concerned.

**Mr HOPPER:** With regard to the minister's answer to question on notice no. 3 of the major restructure plan for Goprint, what is the planned major restructure?

**Mr SCHWARTEN:** Just behind the member is some of the work that Goprint does. In fact, on the member's desk is a booklet, *Pallet*, depicting the Roma Street gardens. That is a bit of Goprint's handiwork. Goprint was one of the business units targeted by the Fitzgerald inquiry, commissioned by the member's government. It was one of the bodies that the commission said the government should get rid of it, but it is the only government printer left in Australia and possibly the world. It is a very secure printery. Having printed budgets for over 100 years, there has never been a leak. I had the privilege last year of meeting two Goprint employees who I handed 50-year certificates to and shouted a beer. It has a very long, proud history. However, I do not need to tell members of parliament, especially Vaughan, who entered this place at the same time as me, that we had bound *Hansards*. In that space of time we have gone to online production. One can get *Hansard* and all the statutes without any cost at the press of a button. That is a challenge for Goprint. We need to identify those people who want to leave. There is a number of them, because the fact is that a lot of them stayed there because there was no superannuation scheme in their day and they are quite old. I do not make that as any disparaging remark, because they still have a lot to contribute in a lot of ways; they are very expert printers. But we need to change the profile of Goprint. We need to allow those people who want to go to go; therefore, we are offering them a package if they want to go. At the end of the day, we will see a restructuring of Goprint. We will need to invest in technology that is more appropriate. We need to identify exactly what it is that Goprint has to do and basically point it into the next decade. I can guarantee one thing—it will never be privatised while I am the minister or while we are in government.

**Mr HOPPER:** I note that this year less money has been allocated to asbestos management and backflow prevention. Why is there less money for these initiatives? Could the minister provide a list of the proposed sites to be addressed during the 2002-03 financial year both for asbestos removal and for backflow prevention devices?

**Mr SCHWARTEN:** I did not think there was less money. Broadly speaking, over a period of time—and this is something that has not changed with governments changing—governments have understood the need for risk assessments in this regard. I would like to have enough dough to pull every bit of asbestos out of every building in Queensland this year. That will not happen. We have a planned program to do it. The Education Department has a planned program to do it. About four years ago, people were saying that people would die in their homes because of backflow. That has not happened. The risk management process in that respect has worked. I did not think that we were reducing it.

**Mr GRIERSON:** The sum is about the same as it has been for the last several years. It is about \$1.5 million. There is a slight reduction of about \$37,000. That has happened to all programs across government with the impact of the GST. The reductions of every program were applied. In this case it is \$1.448 million, so it is only a \$37,000 difference; but it is a \$1.5 million program. That has been going on for several years. This is the last year of that program.

**Mr HOPPER:** Is there any money in the budget to address the concerns expressed by Q-Build employees who have held stop work meetings recently?

**Mr SCHWARTEN:** There is enough the money to pay them. In fact, Q-Build has had a very good year, but as part of its industrial campaign to win better wages and conditions for its members its representatives are saying that the government's offer of three by three by three is not enough. That is fair enough. Q-Build is entitled to take industrial action in that regard, but the reality is that whatever is found to be the right amount of money, whether that ends up before the commission or whatever, there will be enough money to pay them.

**Mr HOPPER:** With regard to Q-Build staffing levels, how many Q-Build staff will be offered redundancy packages this financial year?

**Mr SCHWARTEN:** In the blue collar area, none. There are about 1,300 employees in the day labour staff, and we need every one of those because we need the training ratio. I think we have about 378 apprentices. I know that some Q-Build employees would like to be offered a redundancy package, but unfortunately we cannot offer it to them because our core business is to train apprentices. There are about 50 white collar employees who have put up their hands. It has not been finalised yet as to whether we will allow 50 to go. At the end of the day, there will be no reduction whatsoever in the blue collar work force.

**Mr HOPPER:** With regard to sales and distribution services, page 1-78, are there any further plans to relocate the SDS distribution centre?

**Mr SCHWARTEN:** No, not as far as I am aware.

**Mr HOPPER:** I refer to building procurement and asset management future developments, page 1-13, research and development—improve thermal comfort mechanisms for government school buildings. Could the minister explain this concept? Pardon my ignorance, but what is thermal comfort?

**Mr SCHWARTEN:** Thermal comfort relates to a sitting classroom designed in the UK. I have just been to the UK and seen classrooms exactly the same as we use in the open area classroom situation in Queensland. I will bet the member sitting next to the member for Darling Downs knows all about thermal comfort. Some of the classrooms at Longreach Primary School, for example, can be found in small towns in the UK, which highlights the issue of the problem with that design. We have a Cooler Schools program for the Education Department that Project Services has managed, but thermal comfort is about making sure that the heat does not get too hot. I cannot think of it any other way. The design of school buildings is something that I put on the agenda with the environmental research unit because, for anybody who knows anything about buildings, flat roofed classes have about an 8-foot ceiling. They are just outrageous. The heat temperature level in them is just hopeless. Even though we have a very expensive program to air condition schools, we still have a number of classrooms throughout the state that are built like that. They were built in the 1970s. I have always said that every good architect in Australia was killed in the second world war and that it has taken up to now to get good architects, with apologies to your good self, Mr May. In the 1970s, just as the clothing was challenging so too was the building design. We can do it better. There are certain things that we are doing through our research house to look at ways of increasing air flows to remove the heat from buildings so that they do not require air conditioning. At the end of the day, air conditioning will become an environmental issue of some substance in the next 30 years. Certainly it is a cost issue. If we can lighten those rooms, get air flows through them and cool them to make them somewhat practical, that is what we should do and that is why that program is there.

**The CHAIR:** Page 1-1 of the MPS mentions the department's responsibility for the successful operation of the Roma Street Parklands. This beautiful booklet shows that the minister has again been his shy and retiring self. Perhaps the minister can give some indication of how successful the parklands have been?

**Mr SCHWARTEN:** What? How successful I have been at shy and retiring! Obviously 500 people did not know who I was. There are 13,000 people a week who use the Roma Street Parklands. It is an absolute sterling success. If I never achieve anything else in my life, getting that built on time together with the department and under budget was a truly remarkable thing. I have travelled around the world as have a lot of members and am yet to see a better example of an open space close to a CBD anywhere in the world. We have a marvellous band of volunteers there. I do not know whether any members were present when the Queen visited, but the parklands were designed to hold a large number of people for a performance such as that. It worked absolutely marvellously. We had 35,000 people there. It seemed like hundreds of thousands of people were there to see Her Royal Highness. It worked well, even in the rain. It is a great place for people to get married. Tomokos restaurant is a great place for people to have a beer and a nice meal. I go to the parklands quite frequently and there are always families with an esky having a picnic. It really is a great place to be. It can hold rock concerts and so on. It is truly one of our prides and joy. As I said at its opening, it is something that people will look back on and thank the foresight of our government for. It could have been anything in the world. It could have been what it was when we came to government—a disused railway track. It could have been like that for 30 or 40 years. It could have been sold to developers, but it is now public hands, and that is where it will be for the rest of its life.

**Mr LIVINGSTONE:** Can the minister outline what he expects the Department of Public Works' involvement to be in the Suncorp Metway Stadium project during the financial year 2002-03?

**Mr SCHWARTEN:** I have already outlined that one of the major tasks in this department is to make sure that that project, \$280 million and not a cent more, comes in on time and on budget in May next year. Everything is pointing that way, as I indicated to the shadow minister before. We had a bit of a hiccup the other day, but the project is still performing very well.

The major task for the Department of Public Works, aside from ensuring that that project is managed properly, is to keep an oversight on it, ensure cash flows are running properly and ensure that the government's interests at all turns are protected and that we get what we are paying for. The Department of Public Works is very good at that. Since I have been the minister

there has not been a project that has run over budget or over time, and we are going to keep it that way.

One of the hidden good news stories that you will probably never read about because no-one ever wants to run them is the number of Queensland jobs that have been created from it. I was over there the other day. Sun Engineering, a local firm, is constructing all of the trusses for it. There is a truss that is 150 metres long that will be lifted up in September and jacked into place. Trevor, as a former chippie, I know this is something that you would like to see happen, and I intend to see it happen. The sheer technology and craftsmanship in that piece of work alone will be a sight to behold. I have watched them there. It has been fabricated off site and put together on site. That project involves a large number of people on a daily basis, yet the noise levels have been kept to a minimum. It really is running well. I pray that it keeps going that way. It is a very complicated project, but I am very confident in the joint venture partners' capacity to deliver it to us on time and on budget and I am confident in the ability of this department to make sure that it happens.

**The CHAIR:** On page 1-11 of the MPS mention is made of the department's involvement in the construction of a research house in Rockhampton. Can you outline why this project was undertaken and what the results have been?

**Mr SCHWARTEN:** As I pointed out to Peter Wellington before, we have entered into a number of research projects throughout Queensland. I see myself not just as a Housing Minister or Minister for Public Works but as having an obligation in the building industry to do something to lead the way in terms of what they call the triple bottom line—the environmental impact, the social impact and the economic impact. This research house in Rockhampton is the only one of its kind in the world. As honourable members know, I was recently in London and we met with the chair of the Commission for Architecture and Built Environment in the UK. They simply do not have any research like that. This project will bench test a whole host of energy efficiencies and environmental aspects such as the honourable member for Nicklin mentioned before—water tanks and so on. It was constructed by apprentices. They got an opportunity to gain training on it on site. Q-Build has won an award for it through the Queensland Master Builders Association. It generates its own electricity, which will be put back into the grid. There is a research aspect to it that makes it absolutely unique in that the University of Central Queensland will study it with people in it. It will not quite be *Big Brother* but it will make a lot more sense than *Big Brother* does in that it will work out the relationship that people have with their built environment. It will work out whether products are worth the money invested in them. What builders and consumers say to me is that they would like to put in triple glazing or a certain type of glass but it is three times the cost and they really do not know whether they will get their money back. This will evaluate those sorts of issues. The shadow minister asked me earlier about thermal comfort. On the hottest days of this year the house was still cool because of the way it has been sited and so on. It is not airconditioned. As I said, it is a sterling success and something that has created international interest. The web site has generated a lot of interest. Next week the Premier will be there and a Chinese film crew will be filming it.

**Mr STRONG:** You mentioned the new technology at the Lang Park site. I ask: what is the effect of the new technology on roles traditionally performed by the Department of Public Works?

**Mr SCHWARTEN:** It was a very sorrowful day recently when I signed a letter to the last State Horologist. Does anybody know what a horologist does? They look after clocks. That man was an icon. He could tell you about every clock in this place and where they were made. He has worked on every one of them and has trained apprentices over the years. We have had a number of horologists over the years. We do not have them anymore because the electronic age has taken over, as is witnessed by the digital clock in front of us. If you go downstairs, you will see the old clock used to time speeches in the parliament. A bloke like that served his time as a craftsman in that regard. I think he is the last state government horologist in Australia. He was happy to go because he had reached retirement age, but it was a bit of a sad day and the end of an era. I think one of the television channels ran a story on it. That serves to highlight some of the other issues.

I mentioned Goprint earlier. One of the reasons we have to restructure over there is to look at the technology we have there. We have machines over there that print betting tickets and heaven knows what with the capacity to do things done 50 or 60 years ago. We also need to have technology over there that can do what is expected next week. That is the truth of it. We have online tendering systems. We recently had a bit of fun with that, because there was a bit of a dispute about what time a tender came in. I think it was one minute or five minutes late. I forget,

but it was a very short period. The electronic tender came in too late. It was all checked by Telstra. It is the same as if you are a day late putting your tender in the box. It is now measured in seconds. Online tendering is a fact of life. A builder in my electorate was one of the first ones to win a tender in Queensland on that basis, which highlights the capacity of regional Queensland building firms to tender in that regard. For example, the one in Cairns was all done electronically. On the bench behind you there is a catalogue for the SDS. Someone just needs to tap into SDS online for that bench to be delivered to them. With regard to our friends out at Q-Fleet, you can buy a car over the Internet. Fancy asking me about technology; I cannot even turn on a computer.

**Ms BOYLE:** There has been some good publicity in Cairns and, I dare say, elsewhere about the Department of Public Works taking on another round of apprentices. But taking into account the fact that Q-Build is a commercial business unit, how can the department afford to take on large numbers of apprentices particularly in the school based apprenticeship program, as wonderful as it is?

**Mr SCHWARTEN:** You hit the nail on the head; it is a very costly business. I think it is about \$7 million to train apprentices. That is a big impost on any building firm and that is why you will find very few out there. In my view, you cannot afford not to do it. On the recent European trip I asked that question everywhere we went: 'How many apprentices do you train?' No-one could answer it, because they do not train any. I think there will be a worldwide shortage of tradespeople. As far as I can ascertain, we are the only government in the world that trains apprentices. I have yet to be able to find anywhere in the world that trains apprentices. Certainly, nowhere in Australia would a government have 378 apprentices in a building division. They do not even have any day-labour in that regard. They might have a couple of maintenance carpenters here and there. It is an expensive business, but it is a business that we need to do.

I am pleased to report that last year Q-Build made a profit. That is great, but its core business is to train apprentices. We have run into trouble from time to time when industry has said that we should not be in the tender box. You have had that experience in Cairns. Certainly, sometimes we could do that a bit better than we have. But in reality we need work for our apprentices. We need to reserve work. We now have arrangements with Housing and with Education on how we might do that better. It is, as you say, a very expensive business. It is something in respect of which our state government provides a CSO. But of course the day that Q-Build makes money, we may not get it. That is fair enough. We can live with that.

There is a guarantee by our government in respect of a CSO to provide training for apprentices when we need to do so. Again this year we have a record number of apprentices. Speaking about school based apprenticeships, I think they are the way of the future. People in the building industry who do take on apprentices tell me that that is something they are very keen on because they basically get a third-year apprentice when they leave school and that person has a great relationship with the industry.

**Ms BOYLE:** I have a Cairns related question—no surprise.

**Mr SCHWARTEN:** Is there any other place in the world? By the way, there was one of those research places in Cairns.

**Ms BOYLE:** It is beautiful at this time of the year.

**Mr SCHWARTEN:** So is Rocky. It is not too good in summer, though.

**Ms BOYLE:** You are no doubt well aware that the new state government office building in Sheridan Street, Cairns, is pretty much complete. In case you do not know this, I am able to tell you that departments are moving in this weekend. You would recall that the business community questioned the wisdom of constructing more public sector space in Cairns. Could you advise us as to how Cairns has benefited from the construction of the building?

**Mr SCHWARTEN:** Due in no small part to your persistence, shall we say, about Cairns being the centre of the universe, this was a project that was completely run out of Cairns, as you well know. We would not be game to do otherwise. Again, we get criticism for being in those parts of the world, and private industry says, 'We can do it better.' The reality is that the design went to a local firm. It went to a large building firm that was prepared to put some infrastructure into Cairns, that is, Barclay Mowlem, as you well know. It is an \$18 million project. Some 240 jobs were created locally. When I was there recently at the community cabinet meeting they told me that 98 per cent of the work went to local subcontractors. That is a classic example of construction staying locally. It is a building that, as you know, has also been designed to deal with the harsh conditions in that part of the world in summer. Even though I accept what you say, that is, that at this time of

the year it is beautiful there, it gets very hot later in the year. The triple glazing and so forth used in that building is very good. The way they set up the sunshades shows that we can be a lot smarter in the way we design buildings. The resultant energy reduction in the running of that building is not only environmentally favourable but also economically favourable.

You get people whingeing from time to time about whether you should build and own a building or whether you should lease it off local people. We do both. We have about 50 per cent each way throughout the state in that regard. I think there is a place for both. The private sector certainly can provide accommodation and so can we. I think it is a bit of a balancing act. I think we have got it right in Cairns, despite all of those doomsayers up there—not all of them, just a few of them. As my old man always said, if self-interest is starting at the races, make sure you back it because you always know it is trying. No matter what government is in office, you will always run across that. I run into it in my own electorate.

**Mr LIVINGSTONE:** I note the Department of Public Works has been involved in the Millennium Arts Project. How successful do you believe the architectural competition process has been?

**Mr SCHWARTEN:** I think it has been very successful, because we have ended up with a design that looks good and will not be like the Opera House in that it will take 30 years to build. I compliment Gary May, who has been involved in it, and Professor Keniger, the first state Government Architect, who has also been heavily involved in that project. Ultimately, it has gone to a local company—a component of a local company, anyway. It is great to see that our Australian and indeed Queensland architects can win an international competition. Architectus and Davenport Campbell were the gallery designers and Donovan Hill and Peddle Thorpe was the successful consortia for the other building. The Millennium Arts Project, which is due to start next year and take two years to build, has the potential to turn on a show at Kurilpa Point. It is a building, especially the Gallery of Modern Art, that will stand out there. It has a certain aspect of the Queenslander about it. That is what it looks a bit like. It will look good on that point. We have to recycle the old Library next door. That is a good building and it will also look good. At the end of the day, the real strength of that architectural competition is to benchmark our own people, and our people have come through it very well.

**Mr MAY:** The library was a national competition and the gallery was an international competition. Both panels contained national and, in the case of the gallery, international representation. It was significant that the international advisers were really very praiseworthy of the local product and the fact that the local consortia had worked very hard to understand the site, to understand the climate and to understand the urban implications. It came up with a very thoughtful solution that I think will stand the test of time.

**The CHAIR:** We will move back to opposition members for a block of questions now.

**Mr HOPPER:** Minister, I refer to building procurement asset management contained under 'Future developments' on page 1-13 of the MPS. Can the minister please advise about the Lighting Centre of Excellence and what funds have been allocated for this project?

**Mr SCHWARTEN:** I will refer the question to our Director of the Built Environment Research Unit, Dale Gilbert. He will explain that in detail.

**Mr GILBERT:** This concept was initiated in August 2001 through the Queensland Sustainable Technology Development program and basically started from two submissions that came in which related to lighting. The idea from the Sustainable Technology Development program is that it was originally envisaged that we would also look at similar technologies and developing centres of excellence around those technologies. The centre will have a range of educational and research functions. There are also some industry bodies that have been associated with this concept, and these are the Lighting Council of Australia, the Illuminating Engineering Society of Australia and New Zealand and the Property Council of Australia. It is very early stages, but at this stage we have set up an interim steering committee which was reconstituted in April 2002. It is a nationally representative steering committee. It is being chaired by Professor David Gardner, the Pro-Vice-Chancellor of the Queensland University of Technology. The first meeting in relation to the Lighting Centre of Excellence was held in May 2002.

The Department of Public Works has provided \$15,000 in kind support in the 2001-02 financial year to establish the centre. Some of the early activities and resources involved with this were raising the profile of the centre. We looked at collaborative involvement with a number of industry partners and looked at lighting technologies. One thing I would say is that the technologies that we have developed on the lighting that actually led to this are now being

exported to the United States and Europe and have been incorporated in something like 20 projects around Brisbane. It is also creating quite a lot of jobs. The Lighting Centre of Excellence is actually building on those early initiatives.

We are seeking some early projects and we are involved with Project Services in advancing an export substitution project, which we call the T5 fluorescent lighting project. There is a lot of research work being done on that as part of this exercise. We are also looking at developing an educational program which, to some extent, will be a bit like a mini cooperative research centre, and I think everybody has heard about those. They are much bigger, but this centre is certainly getting a go on. At the moment we are doing a market survey of potential South-East Asian markets. As well as that, we are looking at the future direction in formulating the business plan. We are looking at—

**Mr SCHWARTEN:** That is the end of your time. Don't ask him any more questions.

**Mr WELLINGTON:** Minister, in answer to question on notice No. 11 you referred to the Queensland government's trial of the petrol ethanol fuel blend for government vehicles. The Sunshine Coast sugarcane industry is now looking to the manufacture of ethanol as a replacement industry to the depressing and declining raw sugar market. Minister, how is the government's ethanol fuel blend trial progressing? Do you plan to expand this trial to more government vehicles?

**Mr SCHWARTEN:** The short answer is yes. Ted Malone was the shadow minister last year. I would say that he was almost obsessed with ethanol. He certainly had lots of meetings with me, and I thank him for his cooperation in explaining a lot of stuff that I did not know about ethanol. He certainly knew a lot about it. The trial project has come from a number of angles, one of which is environmental of course. It makes sense to me that if you can use a product that we grow locally which does not burn up fossil fuels then we ought to try to do it from that point of view. As you rightly point out, the sugar industry is in dire straits and this could well be something of a panacea to some of its woes. I am a great supporter of it because I know that we have a ready-made product at our doorstep. We will continue through Q-Fleet to increase the usage of it where available.

One of the problems that we had with it was the availability of it, but that has been taken care of to some extent. We were able—for the first time, I think—through our State Purchasing Policy to actually lever a company into doing something about it as part of its tender. BP was able to win its tender by being able to provide an environmental angle to its tender. It certainly has my support and the support of this department and the support of Q-Fleet.

**Mr WELLINGTON:** As a follow-up question, are you able to provide either on notice or now any particulars about the quantity of ethanol that Q-Fleet is using?

**Mr SCHWARTEN:** Les Clarence from Q-Fleet will have all that sort of stuff, otherwise we will get Dale back here.

**Mr WELLINGTON:** The reason for the question is that—

**Mr SCHWARTEN:** No, it is a very sensible question.

**Mr WELLINGTON:** In all sincerity, the Sunshine Coast sugar industry is at a crossroads. We are at a crossroads. There is now a genuine proposal. I understand that 92 per cent of all canegrowers in the Sunshine Coast canegrowing region have indicated in-principle support for the \$120 million construction of a new ethanol plant at Yandina.

**Mr SCHWARTEN:** As the biggest fleet owner in Queensland, they would be looking to us, and rightly so, to be a major client. We will be.

**Mr CLARENCE:** In relation to the ethanol issue, as the minister indicated, there is very limited supply in south-east Queensland at present. There are only seven sites and Q-Fleet has one of those. We have pumped around about 7,000 litres since late June at our South Brisbane depot. We are encouraging clients to use that fuel. We have approval from all manufacturers now apart from Toyota to be able to use E10 in those vehicles without any impact on warranty.

**Mr WELLINGTON:** Thank you for that.

**Mr SCHWARTEN:** I knew he would know it. But it is a very valuable point there that Q-Fleet actually has its own bowser at the moment at South Brisbane.

**Mr HOPPER:** While the witness is at the table, Minister, what percentage ethanol are you using in this blend?

**Mr CLARENCE:** It is 10 per cent ethanol. It is currently premium unleaded petrol. Later this year BP will be moving it to standard unleaded petrol.

**Mr HOPPER:** What percentage do you have to get to before it starts affecting the vehicles?

**Mr CLARENCE:** The industry at this stage is looking at I believe E20. Overseas they use up to E24 or E25, but currently we only have agreement from manufacturers to use E10.

**Mr HOPPER:** Thanks very much for that. Back to other questions. I again refer to page 1-13 of the MPS and in particular to the last dot point relating to the Northbank riverside redevelopment. What government funds have been allocated to this project? When does the minister expect this project to start? Can you expand a bit on the project?

**Mr SCHWARTEN:** As you are aware, it is a bit of an eyesore down there. I guess once the Goodwill Bridge was built it made one side basically laugh at the other. To that end, cabinet made a decision that we would generally look at this area to see what we could do about it. I will pass that over to the director-general.

**Mr GRIERSON:** The specific answer to the question is that we have allowed \$800,000 in seed funding within our budget this year to do the initial master planning exercise for Northbank. Northbank extends from the Goodwill Bridge down to the William Jolly Bridge. We have divided it up into sections—that is, the mangrove section down here, the abutment to the Victoria Bridge, on the other side of the bridge in front of the old Trittons site, and then the section down towards the William Jolly Bridge. We have appointed a consortium led by Lend Lease, major developers and major master planners in Australia. We have got the first stage of the master plan in a draft stage. We expect to take that through the minister to cabinet in the next month or so. By the end of the year we expect to have some direction as to how we proceed from there.

**Mr HOPPER:** So when do you think you will actually start building?

**Mr SCHWARTEN:** We have to work out what we are going to do there first. As the DG said, it will have to come back to cabinet. There has been a variety of proposals that people have put up, and some of them are quite bizarre. We will have to work out exactly where we go with it. I know there are a number of firms around town that are interested in PPPs on that site.

**Mr HOPPER:** It has definitely got a lot of merit.

**Mr SCHWARTEN:** That is right.

**Mr HOPPER:** With regard to procurement services at page 1-21 of the MPS, last year you replied to a question on notice that the State Purchasing Policy would be fully implemented by July 2002. Has the State Purchasing Policy been fully implemented? If not, when do you expect it to be implemented? What is the cost of the implementation?

**Mr SCHWARTEN:** It should have been implemented. One of the greatest proponents for it is sitting right there—Desley Boyle. I guess the State Purchasing Policy redefines what value for money is all about and what things need to be taken into consideration when people are tendering. But we have got somebody who is an absolute expert on it, Christine Tonkin. They call her the princess of procurement in the department. She is an absolute wizard with all of this. We will get her to answer the question as to how much it costs and so on. See if you can outdo Dale.

**Ms TONKIN:** Okay. The State Purchasing Policy was agreed to by cabinet in June 2000 and eight departments commenced implementation of the policy during the 2000-01 financial year. It is a major change for agencies. It requires them to introduce a completely different perspective on their procurement in order to get the outcomes that the government expects us to achieve. So it is a major change exercise and we expected that each agency would take approximately 12 months to fully implement it. All other remaining agencies, including government owned corporations and statutory authorities, commenced implementation from July 2001 and are just in the completion stages. There are some agencies that have been a bit slower and that may not have fully completed the implementation by 30 June, but most are fairly close to completion.

In terms of cost, we do not expect that there has been a net cost in the implementation of the policy. In fact, there is likely to have been a net cost reduction in terms of getting better value for money out of procurement. That seems to be borne out by the experience of many of the agencies that have implemented it. There has been enthusiasm in particular by the government owned corporations, which are of course commercial operations, and they have found the policy immensely valuable.

**Mr HOPPER:** I refer to page 1-21 of the MPS in relation to the State Purchasing Policy. Minister, what is the time frame for implementing this policy?

**Mr SCHWARTEN:** It is implemented, as far as I am aware.

**Ms TONKIN:** As I just explained, we had eight agencies commence implementation from 1 July 2000 with the remaining agencies from 1 July 2001. The implementation phase is all but complete as at 30 June 2002. Obviously there is going to be continuous improvement involved in agencies.

**Mr SCHWARTEN:** I think that is the question you are asking—that is, what will be ongoing? One of the big issues with procurement, of course, is getting people at reasonably junior levels in the Public Service to understand what it is to buy and what they are buying. There is ongoing education and training occurring in that regard. I guess that is what you are driving at. I suppose it will never be implemented from that point of view.

**Ms TONKIN:** It is a continuous process of improving skills capabilities of agencies and getting better value for government's dollar. I hope we do not ever arrive; I hope we are always prepared to improve.

**Mr HOPPER:** Minister, getting back to apprentices, you were speaking of numbers before. How many apprenticeships will Q-Build offer this financial year and in what trades will they be?

**Mr SCHWARTEN:** It will be about the same as we offered last year, that is, between 90 and 100 again this year. The big issue for us—as to what configurations they will be—is the changing world of the trades. As Trevor Strong will tell you, as a carpenter, that trade has changed enormously over the years. We now have people who basically qualify in certain areas of carpentry. And even though they are carpentry apprentices, our challenge in Q-Build is to get them a variety of work, especially in new construction. We find that difficult from time to time. That is why we are working with the Queensland Master Builders Association to develop a product where we can put our apprentices on its jobs, especially government jobs. But they will be your normal sorts of trades. By and large, where we once had large estates of houses that required painting, we are moving away from them, and I will talk about that in the Housing part of this. So we have changed that.

One of the areas where I have noticed a growth is in refrigeration mechanics and electricians because of the increasing amount of airconditioning that our people deal with. There is a photo kicking around somewhere of one of our apprentices down at QBI at our joinery works. Here she is in this photo, using a machine that is worth a quarter of a million bucks. That absolutely highlights the different trades. When I was a young bloke kicking around machines had spindle moulders and all those sorts of things that were quite dangerous. You can see all the safety gear that the girl has got on. Part of the reason my hearing is as bad as it is is because of working over machinery like that. It highlights two things. One is that we have a commitment towards apprentices and a commitment towards getting females into the trades. That woman is a wood machinist. You can see by the look on her face that she was real pleased to be photographed, I can tell you! You will not find her with a panel saw or anything like that down there. It is computer operated. So I guess to some extent they are computer trained tradespeople, although we do teach them the other stuff, as well. I actually sat next to that girl on the day she was indentured. She was really looking forward to it, and she is obviously making a pretty good job out of it. Behind you there is stonemason work. I do not quite know what it looks like, but we are probably the only ones who employ stonemason apprentices anywhere in the world.

**Mr HOPPER:** While we are on apprentices—with the public sector compared to the private sector, how do the numbers stack up there?

**Mr SCHWARTEN:** There would be no firm in Queensland that would employ the number of apprentices that we do. As I said, I do not think there is anybody in the world that does. QR might give us a bit of a shake, although I do not think they have that number of apprentices, either.

In reality we also have the Housing Industry Trade Training program, where we swap houses. I will talk about this when the Housing stuff comes up. We made a deal with them to provide 1,000 apprentices over five years when I first became minister. That is coming to a close now, and we do not have the number of starts to give them the number of houses for apprentices these days. I do not know of anybody who is out there training apprentices to the extent that we are. They mainly rely on the group training schemes, which are very good. One in my electorate, Cap Training, for example, has trained thousands of apprentices over the years.

People in industry will tell you that it is very hard to retain continuity of work and diversity of work to keep an apprentice employed. So we have to look at ways of helping those group schemes and employing and training apprentices ourselves and putting them out into the market at the end of it. It is one of the reasons that the masters builders support us in Q-Build. Even

though we are a competitor, they understand that without us the industry would not have the number of trained tradespeople. I do not know internationally where they are going to get them from when they are not training them. In the UK, for example—Trevor, you would be interested in this—they are prefabricating things like bathrooms and just plugging them into buildings. I saw one at Greenwich Village where you could come along and you could pick and choose. That looks great, but you could train a monkey to do it. Someone sets the taps, someone applies the tiles, someone sets the bath, and that is all they do; it is all done in a production line. I hope that is not the way of the future, but it certainly looks like that is the way it is in Europe.

**Mr GRIERSON:** Another interesting statistic is that if you look at the completion rates of our apprenticeships, we have in excess of 95 per cent completion. So 95 per cent of the young people who start with us complete their apprenticeships and go into the industry. If you go out into the private sector and look at the completion rates out there, it is less than 50 per cent; kids just do not finish their apprenticeships. I guess that reinforces the minister's message that we must keep the work up to these young people so they can complete that training.

**Mr HOPPER:** Minister, have you any plans to employ Aboriginal apprentices, or have you done that, or do you have a scheme in that area?

**Mr SCHWARTEN:** Yes, we have in a variety of fields. We have our own Aboriginal apprenticeship training scheme in Housing for a start. I do not know whether you were the shadow minister at the time—you probably were not—but I actually held up a photo in the parliament of these people we have trained. I think it is the best that has ever been done in Australia, but try as I might I have never been able to get one line about it in a paper anywhere. We hear all the bad stories about indigenous people—they seem to fill the papers—but that is a truly great story. I think we have had a 100 per cent completion rate. It has worked over both governments. It started back in Terry Mackenroth's day. It really is a very successful program. That is in Housing.

In Q-Build we have actually had a program dedicated to doing just that up in Cape York and the Aboriginal communities. It has been very difficult. One of the challenges of providing apprenticeships in those areas is the same I guess as private enterprise has, that is, the training has to be continuous. So what happens in an Aboriginal community is you get a boost of building for a while then none for a while. So you go into these communities and you find people who have one and two years of an apprenticeship and that is it. So that has been a challenge. We had a dedicated officer who did look after this—we still have. When he was with us, Geoff Skerritt really put a lot of effort into the cape. We have a number of communities up there that have Aboriginal apprentices.

The other thing, of course, is that as part of their contracts we ensure that people employ local labour. I think we can do that a little bit better. I was at Aurukun last year, where I saw two Aboriginal people working. All they were doing was handing up the roof screws to plumbers. We certainly need to look that in the eye a bit closer, and we are doing that. The apprentices on Palm Island are another case, and at Woorabinda. We have over 20 on our books at the moment.

**The CHAIR:** The time for non-government members' questions has expired. Minister, I believe the member for Burnett has an issue he would like to raise with you.

**Mr STRONG:** Minister, page 1-78 of the MPS refers to the development by SDS of a regional trader model. Could you provide details of what this model is, how it works and what benefit it will bring to businesses?

**Mr SCHWARTEN:** The member next to you, Desley, has raised this issue with me. It has become an issue in my own electorate and no doubt in yours, as well. What is happening, as I see it, is that there are large multinational corporations coming in and buying up small stationers in places like Rocky, Cairns and Townsville. I do not know whether it is happening in Bundaberg; I would be surprised if it is not. Basically, their job is to send their competitors broke. They buy up one, or they might buy two. They compete unfairly, in my view. They have a huge buying power and they can sell product a lot cheaper. Desley actually introduced me to a person in Cairns who employs and trains local people and has been in business for a long time. He said to me, 'Look, I just can't compete.' He was talking about competing with SDS at the time. We are very cognisant of that. SDS has a role, and it delivers it very well in providing a great variety of products, identifying them as Australian made or Queensland made and putting them into the market. So I thought at the time: why can't we marry the two together? Why can't we use SDS and use the local expertise and try to keep those companies locally and try to keep their profits locally?

Because the money that is spent with these larger companies does not just disappear over the border, it disappears out of the country eventually.

So whether or not this will work I cannot guarantee it; but it is worth the effort as far as I am concerned to have a partnership between local suppliers, SDS with its buying power and its online ordering capacity. I think that is the way to go. It is an attempt, in my view, to keep jobs local and to keep industry local, which is one of the aims of our purchasing policy. We will keep a close eye on it, and no doubt Desley will. At the moment we have done it in Townsville, Rocky and Cairns, and we will look at doing it in other centres if it is successful in those.

**Mr GRIERSON:** Basically, the system involves the local school, say, still placing an order electronically with SDS—SDS being able to re-route that order to the local supplier in Rockhampton, Townsville or Cairns if they are able to produce that good or supply that good. So it is a win-win for everybody. SDS still offers the school, for example, the ability to use electronic business, electronic invoicing and speed of delivery, and the local business gets the actual delivery of the business and makes its profit on the goods. So it is a win-win all around.

**The CHAIR:** The MPS indicates that the Department of Public Works will commence preliminary work on the multipurpose centre for Mackay. Interestingly, all seven members of this committee are from regions outside Brisbane. So we are fairly interested in what you are doing across the state.

**Mr SCHWARTEN:** Not as interested as Tim Mulherin is, I can tell you! If anybody is due any praise for that project, he is. I do not know how many people's ears he whinged in to get that.

**The CHAIR:** Can you provide some more details—not of his whinging but perhaps of the project?

**Mr SCHWARTEN:** It is a multipurpose project. They will call it the Mulherin Centre, I am sure. I actually know a lot about it because he has been on my ear about it. As to the \$38 million and our role in it—the \$38 million was obviously out of Treasury. It was announced in the budget. It is our role now to manage that process, to do the master planning and to assist with the construction of it in terms of the project management of it.

Last week I had a meeting with Tim, the mayor and Gavin Litfin, whom some of you may know from the Building Division. He is an expert at these sorts of projects. We really need to get the project properly scoped. There have been a lot of ideas about it. What it will end up looking like I am not sure. There are certain ideas about it. The council has provided a parcel of land for it. As I say, our role will be to project manage that and to make sure—as we are doing with every other project—that the project is built in time and built to budget, that cash flows are managed, the construction is managed, all those issues are dealt with and that, at the end of the day, there is value for money for that \$38 million investment.

**Mr GRIERSON:** The Urbis company has been appointed as master planners. The key to it is to make sure it fits in with the Mackay city revitalisation plan. As you know, being members from the regions, every town and city has a need to revitalise the inner-city areas, and it is critical that we do that with this multipurpose project.

**Mr SCHWARTEN:** It is a great site where they have got it.

**Mr LIVINGSTONE:** Minister, can you outline what contribution the Department of Public Works has made and will make to the Year of the Outback?

**Mr SCHWARTEN:** Part of what we do in the outback is the employment of apprentices. One thing that is not well understood is that if we did not have Q-Build in places like Mount Isa and Barcaldine and so on there would be very few opportunities for people to be trained in that regard.

The Australian Workers Heritage Centre, which I am a member of, produced an exhibit based on the theme 'We Built the Bush', which was used in the Year of the Outback display mounted by the centre in the foyer of 111 George Street from 5 to 11 July. I saw that, actually; it was very good. This display was aimed at promoting a major Year of the Outback event at the Barcaldine Centre; that is, the opening of the first stage of an \$8 million Women in Australia's Working History project. That opening will be this weekend. Unfortunately I will miss it due to a community cabinet meeting.

I guess the greatest contribution we can make to the Year of the Outback is to ensure that we keep our field staff in those centres and we keep the buildings there maintained. When we address Housing later I will talk about a few initiatives we have in that regard. Certainly as far as

the Department of Public Works is concerned, the Year of the Outback is every year. We have been there for a long time and we will be there for a long time to come.

**Ms BOYLE:** I was interested to read on page 1-12 of the MPS that the Department of Public Works has completed an overall Brisbane CBD office accommodation strategy. However, my question is in relation to the building that is being constructed in Charlotte Street at this time. Does that fit within the strategy?

**Mr SCHWARTEN:** Yes, it does. We have here a model of the building. The reality is that from time to time we are criticised for our policy, not just in Cairns or Rockhampton but also in Brisbane. There are groups of people who say that government should be out of the business of owning buildings. My view is that it is a give and take. It is a partnership.

The building is at 33 Charlotte Street. It has about 15,000 square metres of office space and it cost \$68 million to build. I think the design of the building is in sympathy with the one next to it to some extent, not like some of the ugly buildings we have around this area. The precinct around the parliament is developing into a government precinct and we are the major land-holders here.

Buildings are split 50-50 between rented and owned. I hold the view very strongly that there is an absolute need for government to own buildings because we need to have some flexibility to move departments from one building to another as the ministries change and as the portfolios change. One of the issues we come up against from the private sector is that it thinks it can do things better than we can. None of the tests I have seen done show that to be the case. I think we have an excellent management system in place. Some of the things that go on behind the scenes at election times, when governments or even portfolios change, are truly horrendous. I know that Mal loses a bit more hair every time we have those sorts of requirements. Of course, there are other considerations in terms of meeting the needs of our clients—to provide disability access and so on. Barclay Mowlem has the contract to build that building.

**Mr STRONG:** The MPS mentions partnership agreements between Q-Build and the Education Department. I know that there is a partnership agreement between Q-Build and the Department of Housing. What are the benefits of these partnerships as opposed to the former relationships between these government agencies?

**Mr SCHWARTEN:** When I first became the minister the system was one, between Housing and Q-Build particularly, of the checker checking the checker. I remember going to a Housing office and seeing this huge pile of invoices being steadfastly thumbed through by a Housing employee and going across to the Q-Build office and finding somebody sitting at a desk doing the same thing, both trying to catch out the other. If ever there was duplication of resources, there it was. I do not blame the public servants for that. Their job is to ensure that the highest probity standards are met.

I said that there had to be a better way. I commend the Director-General of Housing and the Director-General of Public Works for getting their heads together and coming up with a scheme that meets the very high standards of the Financial Administration and Audit Act, satisfies the Auditor-General's concern for value for money and meets all of the other requirements that we have. Even though I am the Minister for Public Works, I am also the Minister for Housing and we have to make sure that every dollar given to Q-Build is a dollar well spent and that we are getting value for money.

I have watched that system improve over a period of time. For example, one of the things handing a full maintenance agreement over to Q-Build does is allow it to manage the business so that we do not have the situation of the client saying, 'Go out to Biloela. There is one house out there that needs to be painted,' when in fact Q-Build knows that there are 10 houses out there to be painted.

It is a similar situation with Education. The challenge there is that the money has been devolved down to the school. Principals were demanding that work be done at a certain time that in a lot of cases was not convenient to be done by Q-Build, so we actually had to sub that work out from time to time. By getting proper agreements, working out a delivery strategy and making that Q-Build's responsibility, there are greater returns for Q-Build. There is also a scope of works and experience for our apprentices. Of course, the money is spent on actually maintaining and not chasing bits of paper between departments. That is one of the key reasons we made a profit this year. We are doing business a bit smarter.

**The CHAIR:** Page 1-62 of the MPS refers to Q-Fleet achieving returns from the sale of motor vehicles in excess of the budget and returning \$3 million to client departments through its shared

benefits scheme. Could you provide details of what Q-Fleet is doing to achieve this success in selling vehicles and what the shared benefits scheme involves?

**Mr SCHWARTEN:** We have a couple of auction procedures operating. There is the early bird auction. That shared profit scheme is a good illustration of giving a client some incentive to actually look after the vehicle. We say to them, 'If you have the vehicle for 12 months, we agree on the resale value'—that is based on history—'and if we get any more than that we will split the difference with you.' It is a bit like our managing contract process, where we say to contractors, 'If you can save money, you get to keep 40 per cent of it and we get to keep 60 per cent of it.'

This has really paid dividends. It encourages the client to ensure that the car is returned in good condition, on time and so on. The vehicles are still sold at auction. From time to time we sell them in southern states. We have a responsibility in the car market here in Queensland to ensure that we do not flood the market and put local businesses in jeopardy. So from time to time, when we get a huge return of cars, we send them into other states to sell. That is a bit controversial from time to time because people think we should drop them into other places in Queensland. Everything comes at a cost when you do things like that.

I am very satisfied with the way Q-Fleet is operating. I am delighted at the environmental stance Q-Fleet has taken. I congratulate Les Clarence for the very responsible attitude he has taken. I think it cost \$300,000 to be part of Green Fleet Australia, which means we buy a couple of hundred thousand trees to buy some carbon credits. There is not another fleet in Australia doing that. That highlights the capacity of government to retain property such as Q-Fleet. When I first became the minister it was targeted to be privatised. I see that it has just cost the Commonwealth \$40 million for it to privatise its fleet. God only knows what it is costing in Western Australia. The capacity of Q-Fleet to return a profit to agencies, to return a profit to government, is great. Downstairs you will see a couple of vehicles that illustrate our environmental commitment, as well as our commitment to ethanol, which we talked about earlier. Being the largest fleet, we are in a position to make those sorts of decisions, and we will continue to do so.

**Ms BOYLE:** Minister, you have already answered a question with regard to opportunities for indigenous people in relation to apprenticeships. Often we do worry about employment for indigenous people—the job side of it. Just as important is assisting indigenous business operators. I wonder whether you have worked on that side of the fence, whether you have any particular projects or initiatives for indigenous people on the business side.

**Mr SCHWARTEN:** About six months ago I had a visit from the Indigenous Commerce Alliance. It put to me the very point that there were a lot of packages out there to assist in training and so on but very limited opportunities for indigenous businesses to work with government. We should have woken up to this before. Part of the problem was the lack of understanding of the tendering processes of government. That is not something akin to just Aboriginal people; that is right across-the-board. We do run seminars and so on to assist people in understanding how to do business with government.

Following on from that we now have a series of seminars planned specifically for indigenous business throughout Queensland. We have them in Rockhampton, Townsville, Cairns, Brisbane and Mount Isa to enable Aboriginal businesses to tap into that. At the back of the room you will find our poster on reconciliation. I am delighted to say that we were the first department to put out a statement of reconciliation and to actually set targets for indigenous employment in Public Works. I congratulate the director-general and the department for having the foresight to provide that sort of a statement. It has gone over very well. In fact, the interest from the Indigenous Commerce Alliance came as a result of that document being produced.

**Mr HOPPER:** Minister, page 1-10 of the MPS states that the department has successfully managed and achieved program objectives in relation to asbestos management and backflow prevention. What are the program objectives of asbestos management and backflow prevention?

**Mr SCHWARTEN:** As I outlined earlier, it is a risk assessment process. It is designed to deal with the worst cases first. We normally deal with loosely bonded material. The Department of Education has its own program of replacement of those super six fibro roofs. I often get letters to my office asking me to do something about that, but in fact it is Education's responsibility.

The audit program identified 1,880 buildings, including hospital buildings, as closely loosely bonded asbestos material. Six hundred and twenty-four buildings, excluding hospitals, have been addressed. Four hundred and four of the total 1,880 have been addressed through other capital works programs, sale or demolition. No hospitals have been addressed to date under the program because of the impact of the major rebuilding program, which is for \$2.8 billion to replace

hospitals throughout the state. Eight hundred and fifty-two buildings, including 345 hospitals, remain to be addressed. Five hundred and eighty-one of the 1,142 high-risk sites have had backflow measures implemented under the program. As the director-general pointed out earlier, funding of \$1.448 million has been approved to address a further 120 of the remaining high-risk sites. There are 441 left to do.

I point out in relation to backflow particularly that my experience—I had a pretty torrid experience in that regard, as you are all aware; you had visits from people who were pushing a particular cause—is that governments around the world have been bullied into spending billions of dollars on backflow prevention because of fear in the community. Four years ago people were predicting doom and gloom and saying that half of Queensland would be dead from backflow incidents. There has never been one, to my knowledge. I do not know of any anywhere in the world. It just shows that you can put a lot of money into a program as a result of fear in the community when that money could have gone into other things. That is the last thing we need. I am confident that what we have done is the right thing, and we will keep doing it to address those issues.

**The CHAIR:** That concludes the examination of the Department of Public Works. Thank you, ladies and gentlemen, for your assistance.

Sitting suspended from 10.00 a.m. to 10.31 a.m.

**The CHAIR:** We will recommence the hearings. I now declare the committee's hearing open. The first round of questions in relation to Housing are from non-government members.

**Mr HOPPER:** I refer to your answer to question on notice No. 6 regarding the sale of houses by the Department of Housing. I note that 697 public rental houses were sold last financial year. I ask: why were these houses sold? How many houses were built to replace these dwellings?

**Mr SCHWARTEN:** The figures show 560 completions. That answers that bit of it, but we sold those for at least two reasons; there might be more. The first reason is that, in a lot of those cases, they are older homes that require a lot of maintenance and they are simply beyond our capacity to maintain them and/or they are in areas where there is no longer a higher need, or they might be in areas like, say, for example, Inala where we are actually taking a deliberate step to remove density.

The other reason, of course, is the fact that the federal government has continued to cut back housing funding. This year it is \$109 million, we are being told by the Commonwealth, that we are going to miss out on in this round. We lost close to \$100 million last time. That is approximately \$200 million. So to some extent we are going to have to cannibalise our stock in order to upgrade and provide new stock. I have been warning for some time now on the public record that eventually we will end up with less stock, and you have seen the result of that come to pass.

**Mr HOPPER:** What was the number exactly?

**Mr SCHWARTEN:** 560—sorry, 460 completed; 302 started in public rental.

**Mr HOPPER:** With regard to the sale of these houses, why did the department not repair and upgrade them? Were they just too far gone? What is the story?

**Mr SCHWARTEN:** In some cases they were, but as I explained, there were a variety of reasons why we sold them. Some of them are in the too-far-gone category, but there are others, for example, out at Inala where we are selling them. We have an arrangement with a company to sell them. We sell them for \$30,000, they do them up, then they sell them. They take the risk of the property. They are not making an absolute fortune out of them in those circumstance, either. We are doing that out there because we want to reduce the density of the stock that we have.

That is another reason—changing demand. The notion that probably you and I grew up with about what a family is is no longer applicable. Our demand now is for one and two-bedroom places. Sixty-four per cent of the people whom we housed last year were people who had special needs, or aged needs, and the sort of stock that we have does not reflect that need. But at the end of the day, what you are seeing is a decline in the number of houses that we have, and I have been warning about that for some time.

**Mr HOPPER:** So you are saying that there are not so many family houses needed now?

**Mr SCHWARTEN:** No. That is right. The people on our waiting list now are more likely to be people with disabilities. I think last year 50 per cent of the stock that we built was purpose-built for

people with disabilities, for example. That is not to say that there is not a demand out there for those people; we are simply not meeting it anymore.

The statistics that we have here might give you some indication of it. That is basically what is happening in Australia; the amount of capital is falling, but the amount of rent assistance is going up. The Commonwealth argues that that takes care of need. But in reality, what we have is the grim reality that at this end of the market, there is no housing stock. I think in the last decade there were something like 90,000 houses built for rent out of which there were only 10,000 under the \$150 a week rent. So it is all very well to give someone a rent assistance package, provided they get a house. That is fine. I would go for it every time. The Brisbane housing company that we are setting up is to tap into that market. But at the end of the day, a reduction in the capital fund means that we will simply have fewer houses and our maintenance bills will continue to increase.

**Mr HOPPER:** Still on public rental housing, I note that on page 2-32 it states that you will undertake a substantial maintenance program this financial year. I ask: how many government houses are earmarked for sale in the 2002-03 financial year?

**Mr SCHWARTEN:** We have not earmarked any. We hope to get about \$40 million out of them this year—so whatever that translates into houses—which goes back into housing. We have budgeted to raise \$40 million out of housing sales this year. That is the target that we have set for it, which is money that will go back into our budget, of course. It does not go back into consolidated revenue or anything like that.

**Mr HOPPER:** Getting back to question on notice No. 6 and the sale of public rental houses, I refer to the sale of Housing Commission houses in Azalea, Abelia, Buddleia and Crocus streets in Inala to Liberty Homes Queensland Pty Ltd for selling to the public. I draw your attention to the sale of one house, which, as the transfer document reveals, was sold to a gentleman for \$107,120. However, the Housing Commission was paid only \$9,500 by Liberty Homes for this dwelling. Are you aware of this windfall to Liberty Homes?

**Mr SCHWARTEN:** I do not know what the windfall is. I do not know what it cost to refurbish that house, but some of the figures that I saw just recently indicated to me that there were no great windfalls in this at all. But that was based on \$30,000 the department got. I am not familiar with this particular house. Damian Lavercombe is the expert in this area.

**Mr LAVERCOMBE:** The arrangement that is taking place in Inala is a different arrangement where we are using private sector capital and private sector risk to develop houses or to rebuild houses that otherwise the department would not be able to do. The process used for the department to sell these houses on to Liberty Homes is by the residual valuation method. You must remember that when we first went out to contract to try to get a private sector partner out there, no-one was interested. So what has happened was that we eventually entered into an agreement with L J Hooker Land Marketing. The arrangement was that the department would sell the property after having determined what the likely purchase price was going to be by the end purchaser, take off the marketing cost, take off the costs of doing that house up to a reasonable standard, and then the residual was what the department sold to Liberty Homes. It is an open book process and has been audited, and amounts of up to \$70,000 have been spent on these houses prior to sale to the private sector.

**Mr HOPPER:** Can you just explain that last part again about the residual and the owner? Just explain what you said about that.

**Mr LAVERCOMBE:** Let us take a situation where we estimated that the sale price of a house in Inala, after being restored, was \$110,000. We work back from there—take off the marketing cost, take off—

**Mr SCHWARTEN:** It might be—

**Mr LAVERCOMBE:** Four or five thousand dollars.

**Mr SCHWARTEN:** So that brings it back to \$105,000.

**Mr LAVERCOMBE:** We take off the cost of doing that house up—and we have documented cases where between \$50,000 and \$70,000 has been spent on these houses. It is not just a matter of new kitchens and bathrooms and repainting; it is decks, extensions upstairs and almost a complete re-life of these houses. The intention in Inala is not just to sell houses for \$30,000 or \$40,000 or whatever; the intention is to improve the suburb.

**Mr SCHWARTEN:** I will get you the full details on that particular one and go through that process with you.

**Mr HOPPER:** Just along those same lines, I have another example of a house purchased from the government for \$26,000 by Liberty Homes and then sold for \$107,120. Can you explain the enormous difference between the sale price received for these houses and the price paid for the Housing Commission houses? I know you said that you would get back to me, but the last one I mentioned was \$9,500. Surely the block of land on its own is worth twice as much as that.

**Mr SCHWARTEN:** If we can get someone to pay that for them, it would be all right. But when we went into this, there was no market at all. It is a system that to some extent I inherited. It was started by David Watson because he, like me, was trying to do something about the density issue out there. No-one wanted to buy a house out at Inala. So we came into this arrangement. The reason that the price would differ, I suppose, is that the refurbishment costs were increased. I suppose if it sold for the same amount of money as the last one, perhaps it did not need as much spent on it. Perhaps it got \$40,000 spent on it, for example, and we profit shared with Liberty Homes out of it. I do not know.

**Mr LAVERCOMBE:** When we originally went into this with Liberty Homes there were two things: there was a profit share at the end as well as the initial sale price. So let us assume that the \$9,500 was the sale price that was agreed to at the start. Liberty Homes undertook to spend whatever it was—\$70,000—to bring that house up to a standard that we agreed to. Then they marketed that house and sold it. Any amount over an agreed figure, the department shared in that profit. That was the original arrangement because, as the minister said, no-one was interested in going into this arrangement because the real estate market in Inala was not really good.

**Mr SCHWARTEN:** It has improved now, of course.

**Mr LAVERCOMBE:** It is much better now. We have an arrangement in place now where there is an escalation clause in the contract so that as the market improves, we are able to go in at any time and renegotiate arrangements.

**Mr HOPPER:** So you actually shared in the profit that was made?

**Mr LAVERCOMBE:** Correct.

**Mr HOPPER:** With—

**Mr LAVERCOMBE:** With Liberty Homes.

**Mr HOPPER:** So it came back to the government, half the profit.

**Mr LAVERCOMBE:** That is right.

**Mr HOPPER:** That was made with these deals.

**Mr LAVERCOMBE:** That is right.

**Mr HOPPER:** Can they prove the amount of work that was done on these houses? Is it itemised?

**Mr SCHWARTEN:** It is a completely open book process, as far as I am aware. You actually look at all the quotes, what they have taken and what they have done. Every process is documented exactly. The one that I saw the other day indicated to me that Liberty Homes had made \$4,500 on one particular case and I think that it sold for \$98,000. That was their profit out of it. I do not think you would get wealthy on that basis. Some day when you are out around Inala have a look at what is done to these houses. It is a bit hard to explain, but one that I saw was one of those old weatherboard three-bedroom places that had been turned into a two-storey house. They must have spent an absolute mint on that. It was being sold, I think, for \$120,000. If we were to go in and do that work ourselves—because that was the question I originally asked, 'Why don't we do it ourselves?'—the fact is that it would tie up a lot of money for us. My view is that we need to refurbish the houses that people are living in and try to do the best possible deal that we can to sell these other places. As I say, you could not give them away five years ago.

**Mr HOPPER:** Just a little further on that same thing, in the documents that I have looked at from the sale of 20 of the houses, I note that most of the houses were sold to Vietnamese people. Were these people aware of exactly what they were paying for these houses?

**Mr SCHWARTEN:** Were they aware of what they were paying? I guess they were. I do not know. I do not know the circumstances of what you are suggesting there.

**Mr HOPPER:** I am not suggesting anything.

**Mr SCHWARTEN:** No, I know.

**Mr HOPPER:** I just see that—

**Mr SCHWARTEN:** I just do not know the circumstances. I mean, if people buy a house, they buy a house and they know what it costs. Are you suggesting that they did not know what the original purchase cost from the department was?

**Mr HOPPER:** I just thought it was strange that a big number of the 20 houses I saw were all Vietnamese people. Is there any reason for this? Any specific—

**Mr SCHWARTEN:** There is a growing Vietnamese population in that area, I am told. Henry Palaszczuk would be able to tell you that, if he was here. He is the patron of some Vietnamese group out there.

**Mr HOPPER:** With regard to question on notice No. 5 and your statement regarding seeking an estimated selling price for the disposal of public houses, who was the independent valuer who recommended that the houses be sold to Liberty Homes for the prices they were sold?

**Mr SCHWARTEN:** I do not know. Who was it, Damian?

**Mr LAVERCOMBE:** I am not sure of the name of the valuer, but it was a registered valuer.

**Mr SCHWARTEN:** We will get you that name. Have you got the name of it, Damian?

**Mr LAVERCOMBE:** All I can say is that the selling prices are determined by an external, independent valuation as a base minimum. What we use then is the agent's opinion and our own opinion as to what that would give, but it is always an independent valuation.

**Mr HOPPER:** Minister, what was the government's share last financial year from the profit of the sales of these houses and where is it shown in the budget?

**Mr SCHWARTEN:** It is not shown in the budget. Do you know off the top of your head, Damian?

**Mr LAVERCOMBE:** I do not have that, Minister.

**Mr SCHWARTEN:** We will have to get that.

**Mr HOPPER:** Do you think we did any good out of it? Did we make any money?

**Mr SCHWARTEN:** Depends on how you look at it. We would not have made a fortune out of it, that is for sure. You would not get wealthy on it. The reality is, as I said, that we are trying to develop a market out there. Those places were worth nothing when I became minister. It was not uncommon for people to come through my door and ask for them for nothing. No-one wanted to live there. Since it has been part of our Community Renewal Program and since we have re-established housing decent homes there, Henry Palaszczuk tells me that the market has improved. But you can still buy a house out there, a very good house, for about \$120,000. Now, \$120,000 will not buy anything within a 20 kilometre radius of the CBD here, so it indicates that the value of those places is still not there. If you know anything about building and you have a look at those places, I do not know why they did not pull them down and start from scratch. That is what I would have done with them.

**Mr HOPPER:** I refer again to the sale of the housing commission houses and the huge profit Liberty Homes are reaping after doing minimal work to these homes. In fact, I have documents which show that the profit on just 20 houses is more than \$2 million. It appears that Liberty Homes is not paying the government until these houses are sold by LJ Hooker for Liberty Homes. I ask: why is this so? Why is the government not getting payment until the houses are sold? Is this normal practice?

**Mr SCHWARTEN:** Yes, it is. You only get something when it has been sold. If I own a house and you sell it for me, you are not going to pay me until you sell it. The reality is, that \$2 million you heard about, that is the first I have ever heard about it. I have never heard of them making \$2 million, because if they were making that sort of money, we would be making that sort of money. Damian, you would say that, in your opinion, that is not correct?

**Mr LAVERCOMBE:** I am not sure of the number that you are referring to, whether or not that is just the gross value or whether that is the profit, but I am not aware of the profit that you are talking about.

**Mr HOPPER:** That is the difference between prices, yes, without renovations.

**Mr SCHWARTEN:** The bits and pieces that I have seen of it indicate to me that they have not made this windfall profit that you are talking about. We need to get a couple of cases down here ASAP and give it to the shadow minister, since he is so interested in it this morning. We will get one from the office and bring it down here and we will put it up for everybody to see.

**Mr HOPPER:** The first couple that I spoke about, the \$9,500 price and the \$26,000 price, you said you would get back to me with the answers.

**Mr SCHWARTEN:** Yes. We will get those, too.

**Mr HOPPER:** Can you give back to us some details on that?

**Mr SCHWARTEN:** We will get the details for you before the close of—

**Mr HOPPER:** Can we put it on notice, say?

**Mr SCHWARTEN:** No, we will do it this morning.

**Mr HOPPER:** That will be good.

**Mr SCHWARTEN:** You give us the exact addresses of those places and we will get them straightaway—as soon as we can. Do we have the addresses of those two? Have your advisers got them over there?

**Mr HOPPER:** We will have them, yes. She has not got them here; she will have to go and get them.

**Mr SCHWARTEN:** Okay.

**Mr HOPPER:** With reference to the sale of the public rental houses, does the director of Liberty Homes, Mr James Ian Callister, or other employees of Liberty Homes have any link or relationship with any ministerial staff in the Beattie Labor government?

**Mr SCHWARTEN:** Not that I am aware of. I have never met the person you are talking about. I would not know him if I fell over him. What is his name? 'McAlister', you said?

**Mr HOPPER:** With regard to question on notice No. 5 and your statement regarding seeking an estimated selling price for disposal of public—I beg your pardon. I have asked that question.

**Mr SCHWARTEN:** Ask it again. You might get a different answer.

**Mr HOPPER:** With regard to staffing outputs, page 2-7, I notice that you have budgeted for a decrease in staffing levels across housing. I ask: how many redundancies will you be offering to staff in the Department of Housing this financial year?

**Mr SCHWARTEN:** I am not sure of the numbers that will take it up. The director-general might be in a better position to answer that than me.

**Ms APELT:** I can help you with that one, Mr Hopper. The two figures identified in the MPS for full-time estimates: for 2001-02, the estimated actual is 1,247; and for 2002-03, the estimated is 1,234. That is an estimate at a point in time of what the full-time estimates are for staff. That, of course, changes from week to week according to movements in staff and does not reflect anything to do with redundancies with those two figures.

**Mr SCHWARTEN:** We have not got a target number for redundancies.

**Mr APELT:** We do not have a target number for redundancies at this stage.

**The CHAIR:** The time for the first block of opposition questions has expired. Minister, I would like to take you back to where the member for Darling Downs began this session, in relation to the Commonwealth-State Housing Agreement, and ask you to take that issue a little further for us. You indicated in the media and in your response to an advance question that the Commonwealth wants to further erode the value of the Commonwealth-State Housing Agreement. Can you advise the committee of the latest indications of the Commonwealth's intent for funding and what it might mean for Queensland down the track?

**Mr SCHWARTEN:** Amanda Vanstone told me at the last ministers meeting that we went to a couple of months ago that we could expect to lose \$109 million this time around. Last time we lost about \$100 million. So in the course of two agreements we are going to lose approximately \$200 million. That is a significant cut to our program. I might just add that it is not just Queensland that is feeling the pinch there; all other states are, too. Even when they were coalition states, the ministers concerned were voicing their considerable concern at that removal of funding.

I will go back to the graph. It clearly shows where we are headed. We are going to hell in a hand basket in terms of new construction. There is no doubt about that whatsoever. I really do not know where these people are going to live. This document is a depiction of the number of constructions from 1991 till 2002. You can see what has happened there. It is quite criminal.

The sorts of issues that we have just been talking about—trying to sell properties, for example, that are not worth very much—complicates that feature. We just do not have the assets to live off our own means in that regard. The average unit costs about \$100,000 to \$120,000 to

provide someone with a roof over their head. You do not have to be Einstein to work out how many you can buy for \$200 million. Of course, that is being felt right throughout Queensland. We will continue to have less starts. Back in Terry Mackenroth's day they were doing 1,500 starts a year. We are down to 300 or 400, and that is going to continue to be a challenge to us.

The Commonwealth is not listening on the issue. They have got a very set mind on this basis. I do not know what they think they are doing, but it is clear to me that the private market cannot provide. We are certainly doing what we can by setting up agencies such as a not-for-profit organisation like the Brisbane Housing Company to try and access some of that rent assistance in through the doors of a not-for-profit company, but that will only provide limited assistance as well. You simply cannot stem the flow of that continual reduction in capital funding from Canberra. Since 1946 it has been the Commonwealth's responsibility and the Howard government has walked away from it. Simple as that!

**Ms BOYLE:** An important topic for your attention, although one that is not, it appears, easily understood, is affordable housing. What do you hope will be achieved through the proposed state planning policy and legislative framework for affordable housing? In answering that, I wonder if you would also attend to the kinds of criticisms that developers and councillors in Cairns and, I dare say, elsewhere have made of the affordable housing policy and projects?

**Mr SCHWARTEN:** Actually, it is not elsewhere where people have made that criticism. It seems to be the mayor of Cairns only. I do not know what he has got a bee in his bonnet about. He and Bob Norman, the bloke from the Chamber of Commerce there, are obsessed with this and they are reading things into it that are simply not there. What we are trying to do through a discussion paper process is establish whether or not the planning policies of the state should be used to provide councils with an opportunity to allow for affordable housing in their planning and whether or not that should allow councils to take certain decisions such as applying a windfall benefit, and so on, to affordable housing.

The paper is out there. The UDIA were in to see me last week about it and they are unhappy with various aspects of it. The LGAQ has been to see me about it and they went away quite happy with the fact that it is not about mandating councils, it is merely providing a planning tool. We have not made up our mind on what we are going to do. We might do nothing yet.

My best advice to Kevin Byrne is to have a little bit of a cold shower on it. I really think he is just trying to beat up on you, to tell you the truth, and I commend you for the strong stand you have taken in Cairns on this issue because it is clear to me that the people of Cairns are actually interested. Judging by the number of submissions that I have got in from organisations in Cairns, Kevin Byrne does not reflect the views of the people of Cairns. He is simply almost neurotic about this and I do not know why. No other mayor in Queensland has behaved in the way that he or Mr Norman has. I am confident that we will get an array of views through the discussion paper process that we will be able to put into some sensible form, and we can then have the logical debate about it.

The Brisbane City Council is very eager to have powers to push affordable housing. Councillor Tim Quinn and David Hinchcliffe, particularly, have been very interested in this process. They want to provide for affordable housing. I think we have spent something in the order of \$90 million on housing in the inner part of Brisbane since I have been minister. We are seeing more and more people being pushed out, and it is not in anybody's interests to do that. I think that dear old Mayor Byrne really has got the bull by the horns on this one.

**Mr LIVINGSTONE:** I refer to the Ministerial Portfolio Statements, page 2-32, and note that negotiations with the Defence Force Housing Authority have been taking place to purchase 150 dwellings. What does the government intend doing with these dwellings?

**Mr SCHWARTEN:** As the honourable member from that area who mentioned to me some time ago that it was a great idea to do, I am delighted to be able to say that we have now pursued that position to its full extent and we will be paying \$400,000 for the 150 homes out there. My old mate from Gregory here, who is very aware of the success of the Blackwater program where we shifted houses from Blackwater out to Bedourie and Birdsville, and so on, will be delighted with the news that we have secured these houses to continue that program. We will be sending them to places such as Normanton, Birdsville, Winton, et cetera.

I have written to all councils west of the Great Divide. Some councils said that they do not want to be in it, and that is fair enough. Others have indicated their interest in it. We are negotiating that package. It is not about the state government making money out of this business. We just saw an opportunity that we might grasp on behalf of western shires that have

experienced housing difficulty. Another opportunity could be in Gladstone, which is undergoing a housing shortage at the moment due to the smelter developments and so on. We have not really thought that one through. The primary reason for acquiring these houses is to put them into western Queensland in particular to try to resolve some of the housing shortages there for working families in particular. The Deputy Leader of the Opposition is well aware of that program and has been very good at supporting that along with councils in his area.

**Mr STRONG:** I refer to the MPS and the note that during 2001-02 a public housing strategy was completed. I know the minister touched on it earlier in a question from the member for Darling Downs, but could the minister elaborate on how this strategy will take account of people with disabilities?

**Mr SCHWARTEN:** The Minister for Disability Services and I have agreed to launch a position paper some time in the near future to deal with this most sensitive issue, because over half the housing we are now building has been earmarked for people with disabilities. From where I sit as the Housing Minister, that is simply unsustainable. The sort of costs to house people in that regard are astronomical, for example, \$400,000 for a three-bedroom house. The minister herself is keen to look at other options both for the safety of the residents and the workers who work in them. We are considering a number of options. The great thing about it is that the Director-Generals of Housing and Disability Services in Queensland have got together on this issue and will be putting out a document to pave the way forward to ensure that we have a very clear-cut policy on how, who and where we house people with disabilities

**The CHAIR:** The Minister for Families recently announced a package of services and assistance for foster families, which is particularly welcomed by families in my electorate as there are many foster carers in my electorate. Given that I know that a number of those people also reside in public housing, will the minister advise if the Department of Housing provides any special services or assistance to this group of clients?

**Mr SCHWARTEN:** One of the surprises I continue to get at community cabinets is the passion and honesty with which people come to see us. The member for Cairns would be aware of a situation where the Minister for Families and the Premier provided certificates of appreciation to foster parents in Cairns. A woman stood up and actually thanked me publicly for screening her house. She was a foster carer. It touched me deeply to see this woman rearing a number of children who were other people's children. She was a public housing tenant. I get very angry when people put down public housing tenants, because they are the sort of people who by and large are public housing tenants. It occurred to me that we should be doing that for everybody, because she explained that she had written to me about it as she had a number of threats. These children have been taken off their parents for good reason, but the parents obviously were not happy about that and could threaten the foster parents.

We have now developed a strategy in Housing that will back up the fact that this government has made families a No. 1 priority this year, foster families particularly. We will provide priority housing, priority screening, priority upgrades and all of those other things that we do for people who are foster carers. We as a society owe foster parents a great debt. Very few people want to be foster carers. We cannot blame people for that, because they are dealing with very difficult and emotional situations. The least we can do is try to make sure that the house they live in is as good as we can possibly make it for them. That is the least as a society that we can do to repay that debt. It will not occur just this year; it will be from now on, even though it is a priority of the government this year. It will be a continuing priority for this department to ensure that we provide the best services that we possibly can for foster carers.

**Mr LIVINGSTONE:** I refer to a letter to the editor in today's *Courier-Mail* from the coordinator of Queensland Shelter. Would the minister like to make a comment in relation to those matters? I note that an additional \$2 million has been allocated for homelessness issues. What funds will be directed to homelessness, and will any of these funds be spent in that wonderful area of Ipswich?

**Mr SCHWARTEN:** What did I say before about self-interest? I was pretty annoyed by the letter from Roksana Khan in the *Courier-Mail* today, because it really is quite dishonest in that what Roksana on behalf of Shelter is actually saying is that we should not be upgrading the houses that we have, because she does not mention any of that money. When I first became minister, given our poor standards, the liability and the deteriorating assets, I decided to do something about the standards. It meant that there were fewer starts, but it also meant that we had to look after the people who were already our clients.

In relation to the period that Roksana Khan mentioned, funding for maintenance increased from \$60 million in 1998-99 to \$91 million this current financial year. The figure for upgrades for the same time increased from \$39 million to \$90 million. Those figures speak for themselves. For Roksana Khan to suggest that the state is not kicking the can is simply not true. I know that from the last budget when the coalition was in government to the present, the state's contribution increased by \$100 million. There is extra money in the budget for the Brisbane Housing Company. Roksana Khan mentions nothing about that but makes a little snide remark at the end of her letter where she suggests that we should increase state taxes.

The one state tax that we could increase—and I stress that we could; we will not—is a fuel tax. Who does Ms Khan think that will hurt the most? The people who can least afford to pay it. It will affect not just people in rural areas but people who live in Inala who have six-cylinder cars and who drive to town. It is all very well to wave the placard for higher state taxes to pay for these things, but in reality the one tax that we could introduce that they have in other states is the \$450 million in fuel tax. Does Ms Khan seriously want to suggest to me that we should do that? If she does, she is talking to the wrong person, because it would make people even poorer.

One area in which we could save some money would be not to give Shelter approximately \$300,000 a year. One can use the same argument. Shelter does not mind putting its hand out and taking \$300,000 a year from us—an amount that would build three units. Quite frankly, if that is the value of their contribution, I would have to look strongly at taking the \$300,000 from them.

**Mr STRONG:** The minister referred to the Brisbane Housing Company. When is the company likely to start operations, and how will people access the properties?

**Mr SCHWARTEN:** It is in business at this moment. It was registered as of 5 July. Three nominated directors from the government and the Brisbane City Council, Kevin Seymour, Janice Williams, John Gallimore and Leanda Cooper, were appointed by the state and by the council to represent our interests. There are five more directors to be appointed from the stakeholder group. This is a very innovative way of doing it. We will commit \$50 million to it over four years. The council is putting in \$10 million over that period. I must applaud the Brisbane City Council in this regard. It really has been prepared to put its money where its mouth is on this issue. The aim is to create a company that is not-for-profit, that will be able to provide housing to people who need it, people who would normally be on our waiting lists for example. They will pay an amount at the bottom end of economic rental, around \$130 a week, and will be able to access rent assistance. I always say that if Howard will not pay one way he will pay another. This is a way of getting the Commonwealth government's contribution into decent housing. One of the biggest problems with rent assistance is that no-one is building rental accommodation for economic rents. The Bowen Hills accommodation will vary from \$85 for the smallest boarding house room to \$165 for the larger two-bedroom apartments. It is a step that I have taken reluctantly. I did not want to go down this path, but it has been forced upon us by the Commonwealth government. My preference would be to build public housing.

**Ms BOYLE:** I refer to the MPS at page 2-30 and note that \$83.4 million was spent in 2001-02 on capital works on existing dwellings. I also note that on page 2-32 \$90.3 million has been allocated for the same purposes in 2002-03. Will the minister outline some of the major works in the funding allocated?

**Mr SCHWARTEN:** I know that the member has been involved in this area because she has been tied up with the renewal urban project at Manoora, but our standard of accommodation is not very good across the board. It is getting better, but what we build now is 1 million percent on what we used to build. We used to have the notion that we provide people with a shell and as their circumstances improved they put something into it. We know now that the circumstances of people going into public housing are not getting any better. Whereas once bare floors were all right, the suggestion was that as people got on their feet they put down a bit of lino or whatever, but we now know that that does not happen.

**Mr WELLINGTON:** I refer to the minister's answer to my question on notice no. 10 in relation to the department's response to crisis and emergency accommodation needs on the Sunshine Coast region. In the light of the minister's response, how much money has been allocated to the six organisations to which he referred?

**Mr SCHWARTEN:** I have an amended answer for the member. There was some information left out about the community rent scheme, which includes a figure of \$527,000.

**Mr WELLINGTON:** The minister has indicated that six organisations receive funding and that they provide 57 units of accommodation.

**Mr SCHWARTEN:** We have not put the amount in there.

**Mr WELLINGTON:** There is a great need on the Sunshine Coast; we are growing very rapidly. Is there an opportunity to expand the amount of money available to not-for-profit community organisations to get involved in trying to fill this vacuum? Recently, I attended a number of service club changeover meetings and they spoke about the great calls being made on them at the moment by community members—Global Care, Salvation Army, Lifeline—trying to accommodate the need.

**Mr SCHWARTEN:** If I had the dough I would do it tomorrow. It really is a serious problem. I think it is going to get worse. Every community cabinet meeting that I go to I get people from Lifeline, Church of Christ, Salvation Army or wherever through the door talking about this issue. It is simply not within our grasp to do it. I shudder to think what is going to happen in the future. I cannot stress this enough. As a state we have kicked the can as much as we can. We are trying to do things, such as the Brisbane Housing Company and so on. But the loss of approximately \$200 million from the Commonwealth is killing us and we will literally see homelessness in this state like we never expected we would. We are already seeing signs of public homelessness and resultant behaviour. The Commonwealth will not listen to us on this. I have never heard one Commonwealth backbencher in Queensland, including those on the Sunshine Coast, ever raise this issue. You hear them talk about health, but never about homelessness. Their answer to it was to give everybody a \$10,000 deposit for a home loan. These people, as you well know, will never own a home. Until we get some rethinking, I will despair about this. We will do everything we can to spread the money that we have got equitably across-the-board, and that is what I believe we do. There is \$527,000 for the Community Rents Scheme, which was left out before and which is aimed at helping people in housing crisis. I take your position on that. I understand that.

**Mr WELLINGTON:** Following on from the answer, is it possible to take this to the forum when you meet with ministers from other state governments to try to work on a national response to this need in Australia?

**Mr SCHWARTEN:** Yes, we have done that. It has been on the agenda of every meeting that I have been to for the past four years. When Dean Brown was the Liberal minister from South Australia he was very passionate about this issue. On one occasion he brought along photographs of homeless people in Adelaide. He was particularly concerned about the unescorted refugee kids they had dropped on them. Jocelyn Newman would not even look at them. In relation to Aboriginal communities, for example, we had a great display, but we ended up getting only \$2 million from it. We as Queensland taxpayers put \$176 million into it. It is just not fair. I have definitely tried to get it on the agenda down there. I do not blame Vanstone for it. She is just the spear carrier for Costello. That is where the problem lies. I believe we will see chronic homelessness in this state like you and I never thought we would see.

**The CHAIR:** Minister, I think you mentioned that you had an amendment to an answer to a question on notice. I invite you to table that so we can have it on the record.

**Mr SCHWARTEN:** Yes. I formally table that response to the honourable member for Nicklin.

**Mr HOPPER:** I refer to section 1 on page 2 of the MPS and note the statement that many Queenslanders continue to experience housing stress. I table an FOI document which I obtained from the Department of Transport. I have a copy for you. This document raises some concerns as to how your department will be meeting the public housing needs for people living in the vicinity of the Lang Park redevelopment project in inner-city Brisbane. The FOI document is a letter from Mr Kevin Yearbury, Director-General of the then Department of Communication, Local Government and Planning, to Mr Bruce Wilson, the Director-General of the Department of Transport. The handwritten notations on the letter read—

Housing advised that they had recently purchased a 4,000 square metre site for public housing in the vicinity and would be seeking relocation of requirement to provide full number of parking spaces.

It seems that Queenslanders' need for public housing has lost out to the need to have parking spaces at the new Lang Park. I ask: has this land been relocated?

**Mr SCHWARTEN:** No, it is still there. We have units going on it. Ask the local Liberal councillor about it. She gives me a bath about it. She does not want housing there. This one is news to me. We are definitely not moving. If they offer us the right price, though, we might sell it to them. It would want to be good, though. I have never heard of it. I will have to talk to Bruce Wilson about that. We would not mind a copy of that letter, though.

**Mr HOPPER:** I will table it. Getting back to the Liberty Homes partnership with the Queensland government, with regard to the sale of public housing, what is the length of this partnership with Liberty Homes?

**Mr SCHWARTEN:** I think it is another two years.

**Mr LAVERCOMBE:** In late 1999, in accordance with State Purchasing Policy, the department called for expressions of interest in a new contract for the purchase/upgrade of approximately 200 vacant houses and 150 blocks of land in Inala over three years. Thirty sets of documents were sent out and four bids were received. The four bids included one from Queensland, L. J. Hooker Land Marketing, one from a South Australian company and, of course—

**Mr SCHWARTEN:** Two from Western Australia.

**Mr LAVERCOMBE:** All firms had previous involvement in different states with urban renewal programs. Following an assessment of that, a new agreement has been entered into with L. J. Hooker Land Marketing. This time the agreement includes the payment of a fixed sum of \$20,000.

**Mr SCHWARTEN:** That is what I thought it was. The ones you referred to before were under the old scheme.

**Mr LAVERCOMBE:** That was under the old scheme the department entered into whereby between \$8,000 and \$12,000 was the agreed price depending on condition at the original time. We then had a 50 per cent share of the builder's profit. That was under the first scheme.

**Mr SCHWARTEN:** That was the scheme done by Dr Watson when he was the minister.

**Mr LAVERCOMBE:** That is right. That was when expressions of interest were called. At that time we received no interest at all other than from L. J. Hooker.

**Mr SCHWARTEN:** That is why he came up with that scheme. I do not blame him for it, either. I would have done the same thing.

**Mr LAVERCOMBE:** We no longer contribute to marketing costs. They get a fee of \$500 from us. This scheme that we are involved in at the moment is an upgrade of the original scheme reflected by the improvement in the market.

**Mr SCHWARTEN:** We get \$30,000 straight up for them, do we not? When they sell a house, they give us \$30,000?

**Mr LAVERCOMBE:** The figure is \$20,000 and it has a price escalation of \$2,000 for every batch we give them. We do a constant analysis of this, because the agreement that we have with L. J. Hooker Land Marketing allows us to change the deal on the way through. So far we have stuck with this arrangement, because our analysis of the situation would indicate to us that that is a better arrangement than getting into a market share arrangement at the moment. That does not stop us from changing to that if we want to in future batches. But we just monitor it as the market moves.

**Mr SCHWARTEN:** How many houses do we have all-up in this program?

**Mr LAVERCOMBE:** We are batching up 50 properties at a time, but we went out for 200 vacant houses to 150 vacant blocks of land. There is no fixed arrangement. The arrangement can be reviewed with each batch of houses according to what is happening in the market.

**Mr HOPPER:** So it is more or less for a set number of houses?

**Mr SCHWARTEN:** Yes.

**Mr LAVERCOMBE:** We are continuing to use private sector capital to upgrade these houses, because we simply could not do it with our own capital.

**Mr HOPPER:** Minister, with regard to question on notice No. 6, I note that 17 community houses were sold last financial year, and I ask: where were these houses located and will they be replaced?

**Mr SCHWARTEN:** They could be anywhere. Usually they are crisis accommodation where neighbours have complained about behaviour, noise or whatever and we have sold them or allowed them to sell them. It is important to understand that community housing stocks are run by them, not by us. We have to give them permission to sell, and the money would go back into the community housing sector. There is a big issue especially with women's shelters. We do not want blokes to know where they are. When they become known in a neighbourhood, we sell them on

that basis. But it is not a big turnaround. The same applies to Aboriginal and Torres Strait Islander housing. We can get you a full list of where they are. That will not be a problem.

**Mr HOPPER:** With regard to public rental housing—page 2, section 32—and the purchase of 150 dwellings from the Defence Force Housing Authority, which defence base will these houses be purchased from?

**Mr SCHWARTEN:** Amberley. That is the one that Don asked a question about before.

**Mr HOPPER:** What is the average purchase price and repair cost of those houses?

**Mr SCHWARTEN:** I think about \$2,500 is the average price, if you work it out on a per capita basis. We estimate that it will cost about \$70,000 to relocate them and place them in situ out in western Queensland wherever they end up being. That is the sort of experience that we had with the ones from Blackwater. I stress, as I said earlier, that this is not about our trying to turn a profit out of this. This is about trying to fill a gap. Vaughan is the expert on these, because more of them have been shifted into his electorate than anybody's. They are good modest houses that do not look out of place in rural Queensland and they are aimed at providing accommodation for working families. People from Ilfracombe, for example, are living in Longreach because there are no workers' dwellings in Ilfracombe. Hopefully, some of them will go there. I stress that this is not a money-making business on our part. It is simply an investment to try to capitalise on these houses and send them out into the bush.

**Mr HOPPER:** How many do you plan to relocate this year?

**Mr SCHWARTEN:** As many as we can. The sooner we can get them off the site the better. With the houses sitting vacant, Don has advised me that there are already some issues with a bit of vandalism, pilfering and things like that. We want to get them off there and into these shires as quickly as we can. As I said, I have written to the councils. Some want them and some do not. I think we signed up only yesterday.

The department has contracted with Bundaberg House Relocators and Ace House Removals—one of them is from Bundaberg, Trevor—which have proposed a joint initiative whereby their companies would assume control of the site and undertake the relocation of all dwellings at a set price negotiated within five zones across the state. I did not know that until now. I think it is a good idea, though, that will see those places rattled out of there as quickly as possible.

**Mr HOPPER:** With regard to the sale of public housing, are neighbours informed when a house that was previously a rental house is up for sale?

**Mr SCHWARTEN:** Probably not. I would not see any reason why we would do anything differently from any private person. The place across the road from me is for sale. The first I knew about that was when I saw the sign on the fence. I could not see any reason why we would or would not want to do that. I have never thought about it.

**Mr HOPPER:** Minister, I refer to page 2, section 31, and the implementation of case conferencing in all area offices as a standard management tool for solving complex applicant and tenancy issues, and I ask: what management tools were used to address the problems at 73 Poplar Street, Inala, where tenants who allegedly were involved in neighbourhood disputes have supposedly purchased the house they were evicted from some years ago? Do you know about that one?

**Mr SCHWARTEN:** No, I am not aware of that particular dispute, but I will find out about it. Again, what you have just touched on is a very interesting point. Those people are actually home owners now. They are as entitled to buy a house as anybody else. When people have a dig at the poor old Housing Department they do not take into consideration the behaviour of people who own their homes or rent privately.

We have no control over it. I would hope that L.J. Hooker or anybody else for that matter is not in the business of saying who can and who cannot buy. My strong preference has always been—and I have kept a bit of an eye on it to this extent—that I always thought that some investor wearing white shoes would go down there and bulk-buy some of these places and rent them back to similar sorts of people to those on our waiting list and we would end up with the same issue of high density rental accommodation. But that has not happened. As far as I can see they have gone to small punters—that is, people who want to buy a house. I do not know of the dispute to which you refer, but Ms Apelt can explain case conferencing.

**Ms APELT:** Case conferencing has been introduced into the department as a standard management tool across our area offices mainly due to the changing nature of the clientele. We

have many more clients now with very complex needs, particularly clients with mental health issues. We have worked with the Department of Health and also the Department of Families to put together an improved set of processes to better meet the needs of these clients. We have found that since we have been doing the case conferencing and involving families or guardians in the process we have a much greater success rate of matching housing needs for people and people are remaining in those tenancies longer.

**Mr HOPPER:** Minister, I refer to page 2-26 of the MPS and the provision of low interest loans to operators in the residential services industry to undertake repairs and improvements to meet accreditation standards. How many operators have applied for a loan to upgrade standards? Are you aware of any operators who have closed their premises because of the new legislation?

**Mr SCHWARTEN:** No and no I think are the answers to those two questions. Nobody has applied for a loan yet and I am not aware of any that have closed because of the residential services act. I know people who have sold them because they have capitalised on the very expensive land they are on and I know of people who have closed them for a variety of other reasons, but no-one has come to my attention who has closed since we brought in the residential services act. The loan product will be available at the end of September.

**Mr HOPPER:** So the loan is not available as yet?

**Mr SCHWARTEN:** No, it is not available until September.

**Mr HOPPER:** Has there been any inquiries about it? Have you had an indication that people will be seeking it? Is there a bit of a feel out there for that?

**Mr SCHWARTEN:** Nobody has written to me about it.

**Ms APELT:** We have been working with industry groups to develop the loan product. We have also had considerable consultation with people within the industry. Through that process we have had a number of inquiries and also a strong interest in the product. When it is introduced come September that is an opportunity to see just what the up-take will be. At this stage, though, it is anecdotal as to who will really benefit from that loan.

**Mr HOPPER:** Do you plan to promote that in any way or push it?

**Mr SCHWARTEN:** They all know about it.

**Ms APELT:** Yes. There will be a public information program to promote the existence of the product.

**Mr HOPPER:** Thank you.

**The CHAIR:** We will move to government questions now. Minister, I also refer to page 2-26 of the MPS. I note the Kelvin Grove Urban Village is going to combine education, health, retail and recreational facilities with residential areas. Firstly, why is the Department of Housing involved in this project? Secondly, can you provide details of how much of the residential areas will be allocated to affordable housing and how will this be managed?

**Mr SCHWARTEN:** There will be 200 units out of the 800 units there dedicated to affordable housing. I think at this stage we are looking at 100 of those going to the Brisbane Housing Company. This is yet another way that we have tried to make alternative arrangements to provide for affordable housing. The story of how this parcel of land was purchased is a bit interesting in itself. Lindsay Marshall, who works with me, and myself were coming back from opening some seniors units out at Keperra. I said, 'What's that place there?', because I do not come from Brisbane. He said, 'That's Gona Barracks.' I said, 'Why don't we buy it?' That was the start of this whole program.

We have formed a partnership with QUT. There is a parcel of land that the Brisbane Boys Grammar School has been offered at market value, and that is continuing. But the big show is to provide a new smart precinct in terms of what QUT is doing with educational facilities and so on. There will also be a shopping complex involved in it and of course housing, both up-market and affordable. We plan to make money out of this project—and I make no apology for that—and reinvest the money into housing on the site. It has won a number of awards. The most recent of course was the RAPI award, the Royal Australian Planning Institute award, for the way that it is being done. It has been a very interesting project to be associated with. Again, it is a very large parcel of land that is nearby to the CBD. If you take Roma Street, you can nearly throw a stone across to Gona Barracks. It is a very interesting project.

**Mr STRONG:** The Ministerial Portfolio Statement under the output for Aboriginal and Torres Strait Islander housing refers to the five-year capital works program for deed of grant in trust communities. How far advanced is the program? Are you satisfied with its results so far?

**Mr SCHWARTEN:** It is about halfway through. It is in its third year anyway. It is a five-year program, so it is about halfway done. Yes, I am very impressed with it. It is a \$173 million project. To be fair to Minister Vanstone, she did give us \$2.5 million out of the extra \$14 million for Aboriginal housing in Australia. In the top part of the state you could spend that in one community and would not see where it went. Anyway, I was grateful for it. You never look a gift-horse in the mouth they say. The reality is that I reckon you could spend twice that amount of money and not see where it went.

It was based on 80 per cent of need in 34 DOGIT communities in 1997 when the assessment was made. I have toured through those parts, no doubt as other members here have. I will never forget Jocelyn Newman saying that there were all these rows and rows of empty houses up in Bamaga. I do not know where she was looking or what she was drinking when she was up there, but that is not the case. There is overcrowding in those communities. There is a real set of issues. But the good side of the story is that there are now quality homes being built in those places like never before. They are sympathetic to local needs in both design and quality. They, in my view, represent value for money. We are finding that the more we do the better we get at it.

There is a photo—I wish I had it here today—when the director-general and myself were on Mer Island earlier this year. There were all these mature-aged apprentices building this house. So there are real outcomes that have come out of it. But the sad story is that I hate going up to that part of the world because every time I go to a community they say, 'What's going to happen after this five-year plan comes to an end?' I have to say, 'I don't know.' It represents a huge investment that we have made into this project. But, as I say, it only meets 80 per cent of the needs identified in 1997. There has been growth in all those communities since then in that part of the world. But it is managed very well. You get a bit of argy-bargy between communities. They say, 'That one got more than we did.' But I am satisfied that it is as fair and equitably distributed as you can get it. We have got a very good presentation on it if anybody ever wants to have a look at it. The Commonwealth, if not the federal minister, were very impressed with it. I hope to take Amanda Vanstone up there at some stage to give her a first-hand look at what we actually do with the money.

**Mr STRONG:** I understand there is a need for singles accommodation throughout the state. What programs do you think will actually start this year?

**Mr SCHWARTEN:** Our Boarding House Program of course is something that I am very interested in. I think boarding houses provide us with a great deal of flexibility to house people, particularly singles. It is at the design and development stage in Hervey Bay and Gympie. We have \$600,000 for that. There are ones at New Farm, Flint Street in Ipswich and Rainbow Street in Sandgate. They come at a price of around \$3.6 million and then there are furniture fit-outs and upgrades of about \$400,000. Overall, we spend about \$9.1 million on it. It is not enough. I am the first to admit that. I think that it should be about \$50 million or \$60 million, but unfortunately you have to cut your costs to suit your purse. We have certainly had to do that. I notice that we do not get the number of complaints now when we are building them. People have started to understand that they are not what they were. I had one built in my own electorate and you should have heard the things that were said about it before it started by people who just simply do not understand it. They thought we were going back to the old boarding houses of the thirties. I have never had any complaints about it ever since. I think it is a very good program. It is a very good community housing program as well. The Brisbane Boarders Association, for example, do a very good job at housing people.

**The CHAIR:** Minister, I would like to ask you a question about the proposed new housing legislation. I understand that the Department of Housing has consulted widely on the legislation. Can you outline any major concerns raised during those consultations? In particular, can you comment on any response to consultations that were taken in the Wide Bay region?

**Mr SCHWARTEN:** Yes. As you know, in your electorate you have got a very active group. I know you know that because you come and lobby me on their behalf. They were part of the consultation. Interestingly enough, one of the submissions that came from there was that community housing providers thought there needed to be appropriate regulations set out under the new act, and that is something that is very near to my heart. In policies, legislation or anything I suppose you do not realise the misinterpretation that people can put on words. We said that

one of the aims was to provide housing assistance. As soon as the Queensland Public Tenants Association got hold of that at its meetings, it assumed that we were walking away from capital funding. I had this flurry of letters from tenants saying that we were going to evict them and chase them out onto the street and all the rest of it because they interpreted housing assistance as not being housing provision. It was a bit of a lesson to me that you cannot always assume that people know what you are talking about even though you think it is pretty succinct and pretty clear.

But the act is well and truly past its use-by date. It was written in 1945 when times were different and when governments all around the world were building large estates and providing for families that had come out of the war basically. Things have changed a lot since then. In the community housing area, millions and millions of dollars of assets have come out of the state coffers—out of the taxpayers' pocket. There are, in my view, some real probity issues there. I am not suggesting for one moment that community housing groups are defrauding us or anything like that. I just think that there needs to be recognition in a legislative way of what the state's rights are in terms of those assets.

Other issues that we are hoping to look at in the act are things like whether or not we should prescribe in legislation lobby groups such as Shelter and so on, although after its performance this morning I am not sure that it would be too high on the agenda, I can tell you. We are looking at things such as should the Queensland Public Tenants Association, for example, be represented in legislation? Should we provide for such bodies by way of legislation? We have got it pretty well rounded up now. We intend to have it in the parliament in October. I think it will represent an appropriate standard for today's demands of housing.

**Mr LIVINGSTONE:** Minister, could you outline what has been achieved through the Community Renewal and Urban Renewal programs in Leichhardt and in particular the projects that have been particularly successful in that area?

**Mr SCHWARTEN:** Actually, in community renewal you have one of the experts there in Desley Boyle. I will give the details of that. I will get Michelle Brown to answer the absolute details of that, but in a broader sense and policy sense community renewal is, in my view, the way that government should do business. It is a new way of dealing with a series of problems. It crosses government agencies. It crosses personalities and, from time to time, treads on a few bunions. I think the outcomes that we have seen from it are very good. The only challenge I see for it is where to from here, and Desley and I have talked about that on a number of occasions. Anyway, I will hand it over to the expert here.

**Ms BROWN:** A total of 41 projects valued at over \$3.58 million were funded through community renewal programs in the Leichhardt area from 1998 to 30 June 2002. I will just touch on three particularly successful projects. The first is the Leichhardt Under 5s Read to Me project, whereby funding has been provided through community renewal to acquire literature for prenatal parents, newborn infants and those under the age of five so that children are encouraged to enjoy the written and spoken word from an early age. The aim is to find solutions to the potential problems of poor language skills in young people and to minimise the risk factors which could lead to criminal behaviour down the track.

A second project which I will mention is the Leichhardt family support project, whereby funding of \$74,000 was provided through community renewal. This provided for a family support officer to provide support to local families and ensure that these families were referred and linked to appropriate services throughout the community. The third project I will mention quickly is the Leichhardt community centre, where funding of \$896,000 was provided through community renewal for the purchase, design and construction of a community centre in the Leichhardt area. A sod turning ceremony for this project at which Mr Don Livingstone participated was undertaken on 6 July. This ceremony marked the beginning of construction for the new community centre, which will provide improved services to the elderly, young people, indigenous people, carers and parents throughout the Leichhardt community.

**Ms BOYLE:** Still on community renewal and my favourite project—the Manoora one, which of course is in Cairns—I have my own views about it but I would be interested to hear your views and the department's views on what have been the successes in the Manoora program. Also, could you turn your mind to the transition program that we have, given that it is almost time for that particular one to come to an end?

**Mr SCHWARTEN:** And therein lies the problem, I guess: what happens next? As you are well aware, because you came and spoke to me about it, there was an issue with a couple of

programs there—one with Health and one with Education, I think. They simply were not able to be funded by those agencies. So we have picked that up. The director-general has been working with other DGs to find exit strategies out of that to make sure that the good programs that we establish do not fall by the wayside once the program comes to an end. I think that is going to be the next challenge for community renewal.

I think that one of the greatest things from my perspective that came out of that community renewal up there was the involvement of young people in the construction and repair of those places. I remember an occasion when you took us to a house that they worked on there. The pride that those people had in what they had achieved was very good—and justified, too, of course. I do not think you can ever measure that. Of course, you should take some credit out of that yourself because you came to me with that suggestion and it came out of our community cabinet meeting originally. I will never forget those community people who said to me, 'We aren't interested in community renewal if there's nothing in it for our kids.' I think that sums it all up. It has been, in my view, a magnificent success. Sometimes it has been two steps forward and three back, but that is life. That is why it is a difficult program to do. Don knows, as I do—because he has been involved in it for a long, long time—that it requires committed local members. That is the key to it, as far as I am concerned, and we have had that with you and Don, that is for sure.

**Ms BROWN:** There have been 59 projects valued at \$3.9 million covering a safer environment, reducing juvenile offences, local employment and providing family support services. There is a range of projects across those areas. As the minister said, with the transition there has been a major evaluation undertaken of the program in Manoora. There is a workshop coming up next week which will analyse the gaps of what is still to be done against those community priorities that were established through the initial community action plan. There is a lot of work going into transition planning and working with other agencies both in Brisbane and in Cairns to pick up those service delivery projects.

**Mr LIVINGSTONE:** Minister, I note that on page 2-25 of the Ministerial Portfolio Statements the Home Assist Secure program was reviewed recently. Can you tell us about the findings and if the service is meeting community expectations?

**Mr SCHWARTEN:** I am sure each and every one of you know about HOME Secure and HOME Assist. Anybody who would complain about that program really has something wrong with them, as far as I am concerned. It runs into a few hitches, but the program has operated with a very high success rate, with 92 per cent of clients and 95 per cent of their requests for service being met. That is not bad. It is an area where I think there is capacity for huge growth, because the community is getting older, and so on. I was delighted when the Premier announced at the last election that he was going to increase it by \$3 million over the term of his government. That is great, but I think you could put \$300 million into it and you would still use it.

I am of the view that the Commonwealth really needs to have a good look at this program and start to look at dollar-for-dollar matching or whatever because it is actually in its interests to make sure people stay in their houses. That is what this program aims to do. It is about providing security and assistance to people in their later years. It is a program that is designed to help people who do not have family members who can come and do things for them and to make those people feel at home. I think I have been to most of them throughout the state, looked at their work and met people who are assisted by HOME Assist and HOME Secure. It really is a program about caring about people. If you spend a few quid to keep somebody in a house and they do not go into a hospital bed or a nursing home or whatever, it is a far cheaper option. There is no doubt about it; the research shows quite conclusively that the longer you can keep people in their own homes the more comfortable they are, they healthier they are, the longer they will live and the less burden they will be on the taxpayer.

As I say, HOME Assist and HOME Secure is there for life, as far as I am concerned. It is a program that I am intensely proud of. I think there is nothing more noble than to help the sort of people it helps—people who have paid their taxes, worked hard all their lives and have never asked for anything, by and large. There are always some people who will rot a system. I guess there are a few people out there who are getting help and should not be. But by and large I would say that the overwhelming number of people I have met—

**Mr JOHNSON:** Some thrive on it.

**Mr SCHWARTEN:** Some do. Unfortunately, we make too many rules for the minority and not for the majority.

**The CHAIR:** We might move to another block of opposition members' questions.

**Mr HOPPER:** With regard to public rental housing—page 2-32 of the MPS—and the establishment of a call centre to manage Brisbane metropolitan property maintenance calls, where will this call centre be located?

**Mr SCHWARTEN:** That is a good question.

**Ms APELT:** We have been working with the Access Queensland initiative of government. The call centre will be located where the general Access Queensland core management centre will be. There is a process of negotiation of possible sites under way at the moment, and we understand that a decision will be made in the next couple of months.

**Mr SCHWARTEN:** I do not feel so bad not knowing the answer to that question. Ms Apelt did not, either.

**Mr HOPPER:** You are pretty well covered there. What funds and staff have been allocated to the establishment and management of this call centre?

**Mr SCHWARTEN:** I will flick that one to Ms Apelt, too.

**Ms APELT:** The call centre will be staffed with additional staff. We will have an additional six full time and six part time staff who will take calls at the call centre. The specific reason for the call centre is to manage maintenance calls from the metropolitan area of Brisbane. You might be aware, Mr Hopper, that maintenance calls in the regional areas are currently managed by Q-Build. We were not able to put the same arrangements in place within Brisbane. So the call management centre is an opportunity for us to trial the effectiveness of that. In terms of the total cost for the call centre, the project team costs are \$340,000, the operational costs for the call centre are \$1.172 million, and the capital cost for the establishment of the centre is \$520,000.

**Mr HOPPER:** Minister, with regard to the sale of public rental housing, during the estimates process for Disability Services Minister Spence mentioned the high cost of purchasing land around Brisbane to build houses for the disabled. Given the fact that the surplus rental houses are sold for such a low price, does your department communicate with Disability Services before houses are put up for sale?

**Mr SCHWARTEN:** Firstly, the presumption of the question is wrong. We do not sell houses for ridiculously low prices. I sign them off all the time. They go for market value. The ones you referred to earlier—the market value of them in the state they are in is zero basically at the moment. But we are selling places out in the suburbs here. They go at auction and they bring good prices. So it is not true to say that all those houses go at low prices.

The second point is that no, we do not advise DSQ. The houses that we provide for DSQ clients are purpose built. They are identified. That is why Minister Spence and myself and the two DGs will be providing to the parliament a direction statement of where we are going to go with disability housing, because it is occupying 50 per cent of our construction costs now. It is not just a matter of solving the problem by giving our unwanted houses over to DSQ. That would not solve the problem. The houses that we are required to build for them are ones that, down to the last roof screw basically, are in design. They are very, very expensive. One at Darra at the moment is going to cost us about \$450,000 for three people. The reason that we are having to spend that money is that those three people who are suffering with autism are in a neighbourhood where we purpose bought the house for them, but unfortunately the neighbour next door has complained so much about it that we have had to go and find a block of land somewhere in Darra with no neighbours at all and purpose build this house. I mean, that is the situation it has got to. That is not to belittle your question, but the fact of the matter is that it would not help us to advise DSQ of any vacant houses that we have because they would not be able to take them up. Most of the people we house for them have very complex needs.

**Mr HOPPER:** Minister, I refer to page 2-32 of the MPS with regard to public rental housing. You mention a local rules framework for public rental housing. Can you explain this local rules framework?

**Mr SCHWARTEN:** It is to take into account that every situation is different. The situation that you might have out in Inala, for example, in high density housing would well be different from what you would have, say, in Rockhampton. So it allows the area manager to use their discretion to find solutions at a local level rather than imposing them across-the-board.

**Mr HOPPER:** So you are comparing area to area?

**Mr SCHWARTEN:** Yes, area to area in terms of what the needs are. So in the Brisbane region the sorts of neighbourhood disputes or complaints might be different from what they are in

Gympie. Instead of being mandated from above, this requires them to use their discretion to resolve the problems.

**Ms APELT:** The local rules framework, as the minister has just outlined, has given area managers more discretion in making case-by-case decisions, particularly with regional variances. But at the same time it is clear that local rules sit within a broader accountability and transparency framework. So there is still a broad policy framework that people make their decisions within, but it does give much more discretion at that local level.

**Mr HOPPER:** Minister, with regard to private housing assistance—page 2-26—and the upgrade of accommodation at the Monte Carlo Caravan Park, what was the cost of this upgrade and how many people are housed at this caravan park?

**Mr SCHWARTEN:** It is a community housing model. It was bought back in the days of Tom Burns. It is an alternative accommodation. I do not have those details with me, but I can get them. It is managed by the board and that would be a decision of the board. It gets back to what we were saying earlier. The legislation requires me to sign off on that because its source of funding was originally government money. I have only ever been out there once. It was a bit dilapidated. I presume they are spending a bit of money trying to do it up. There are 148 caravan sites there. If you want some more information we can provide it.

**Mr HOPPER:** Thank you. I refer to community housing on page 2-36 of the MPS. I note that you will construct two units of accommodation to house large families. What constitutes a large family and why construct only two units? Surely there are many large families that are in need of this type of housing.

**Mr SCHWARTEN:** You are probably right. Four and above is a large family. The way the Community Housing program works is that people put in their bids—so that group would have applied for two units or whatever—and we fund them on the basis of priority. The two units of accommodation to house large families are actually crisis accommodation. But that is how it works. Every year we say, 'Put your bids in.' Community housing groups put their bids in. There is so much money to go around so they are treated on a priority basis of the greatest need. The crisis accommodation would have been of greatest need.

**Mr HOPPER:** I refer to page 2-35 of the MPS, which deals with Aboriginal housing. How many houses were built in the last financial year for disabled Aborigines? How many will be built in this financial year?

**Mr SCHWARTEN:** Like most of the housing we construct now, we build what we call adaptable housing; that is, housing that can be fairly easily changed around to suit people with specific disabilities. In fact, all housing that we have on ground floors in our seniors units are built to complete disabled standards. That is, again, one of the increasing costs we have.

The island communities particularly are identified as an increasing need. There is a very costly aspect to construction there because of diabetes and so on. People become amputees. As a result of that they need more money because they are spending more money to build these houses to disability standards—something we are very familiar with. I venture to suggest that all of the places that need disabled housing for Aboriginals would have it or that it could be adapted fairly simply.

**Mr HOPPER:** This morning you told me that one of my questions would be better directed to Housing. I refer to sign compliance on building sites. I remind you about the Magnamain construction site at Kirra. While I realise that this building is finished, I believe the original builder was Mr Choi. He was relieved of his duties and no-one knew who the legal builder of that place was because the licensed contractor had completed the job. There were no signs on the site, so how does the public know that this was all above board?

**Mr JENNINGS:** We were made aware of that site and that there were no signs. I sent out an inspector to investigate. From what we were told, a sign was put on site after our investigations. The builders did look at changing hands, with different builders taking it on. A construction management contract was put in place for a new builder to take over the site. We investigated the matter and took the decision not to prosecute or issue a SPER notice on the offence because action was taken.

**Ms BOYLE:** I refer to page 4-4 of the MPS, which states that amendments to the Residential Tenancies Act 1994 are being drafted to deal with issues about the operation of tenancy databases. I was not on this estimates committee last year, but the chair of last year's committee gave you some close questioning about the issue of tenancy databases. I also understand that

since the estimates process last year you have taken a number of actions in this regard. How far have you got? What has gone on?

**Mr SCHWARTEN:** I think we are light-years away from where we were last year. This time last year we were talking about the issues that have come to pass with the use of TICA. This year we are talking about what we are doing about it. I have appointed a parliamentary committee, chaired by Linda Lavarch, to look at this matter. She will report to me about it. She has done an excellent job on it.

TICA, for those who do not know about it, is a register that exists in real estate agencies for so-called bad tenants. I would be a hypocrite if I said that I did not believe in databases, because we in fact have them in Housing. There is nothing wrong with having a database. There is something wrong with being able to use it how you so choose. There are plenty of cases of people who have been put on TICA because of their racial origins, because they have too many kids, because they are fat or because of whatever else. The reasons people are put on TICA are quite bizarre. My argument is that the whole thing needs to be transparent. You need to know why you are on it, how you can get off it, how you can appeal inclusion on it and so on.

Finally we have some industry support. The REIQ was originally somewhat reluctant. Certainly the TICA operators thought they were going to thumb their nose at it, until I said that the power the RTA would have from me would be to stop taking bonds from real estate agents who used TICA. Suddenly they started to listen.

**Ms MASON:** As the minister has said, the committee chaired by Linda Lavarch has been very active. As the member for Cairns knows, there was community consultation in Cairns, as there was in Brisbane, on the Gold Coast and in Rockhampton. The committee is now particularly looking at the issue of listing criteria. As the minister says, the key issue is ensuring that those who are put on a database are there for legitimate reasons and that there has been a transparent process with regard to the criteria for listing. The Residential Tenancies Act 1994 will have an amendment to ensure that a regulation about listing is fair and able to be put through in the parliament later this year.

**Mr LIVINGSTONE:** Minister, I refer to pages 4-3 and 4-4 of the MPS regarding the RTA's services. How does the RTA ensure regional and rural clients receive services when it operates from one location in Brisbane?

**Mr SCHWARTEN:** I do not know whether any of you have been down to see the call centre the RTA has. It has won a client service award. Given the number of issues it deals with and the low level of complaint I get, it obviously does a very good job in regional Queensland. The IT equipment it has and the arrangement it has with Australia Post are just excellent.

**Ms MASON:** The public face of the RTA is in fact through the call centre. We get almost 50 per cent of calls from outside of the Brisbane area, which is in line with the number of bonds held on premises outside the Brisbane area. As the minister says, the level of satisfaction with the call centre is very high. Over 50 per cent of calls to the call centre are answered immediately—that is, no wait. That is one way we can satisfy the services required in rural and regional areas.

We also have a very good web site. We get an enormous amount of user sessions on the web site, with people downloading all of our publications from there. We also do outreach visits to rural and regional areas and have a presence that way. Through the Australia Post service, 420 post offices throughout Queensland are able to transact business on our behalf—to take bonds lodged, to refund a bond if it is agreed, and also to provide the key forms that are required under the act.

**The CHAIR:** There are no further questions from the committee at this time. I thank the minister and his advisers for their assistance.

**Mr SCHWARTEN:** Earlier the shadow minister asked for some information. Unfortunately we have not been able to supply it now. I have given an instruction that it is to be on his desk tomorrow morning. I apologise for not having that information here.

I thank everybody for what I think has been a very worthy effort here this morning. I thank the Department of Public Works, the Department of Housing and all their officers and my personal staff, who work tirelessly, as they always do, and have put up with me. Thank you very much.

**The CHAIR:** 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 resume at 1.30 with the Minister for Innovation and Information Economy.

Sitting suspended from 12.12 p.m. to 1.30 p.m.

**INNOVATION AND INFORMATION ECONOMY****IN ATTENDANCE**

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

Mr S. Flavell, Director-General

Mr C. Matheson, Executive Director, Corporate and Executive Services

Mr G. McCallum, A/Managing Director, CITEC

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**The CHAIR:** Good afternoon. I declare the hearing open. On behalf of the committee, I welcome ladies and gentlemen to this hearing. I am Andrew McNamara, the member for Hervey Bay and chair of this committee. My fellow committee members are Vaughan Johnson, the member for Gregory—who is just not here at the moment; Desley Boyle, the member for Cairns; Don Livingstone, the member for Ipswich West; Trevor Strong, the member for Burnett; Ray Hopper, the member for Darling Downs; and Peter Wellington, the member for Nicklin. We have also been joined by Lawrence Springborg, the member for Southern Downs, who has been granted leave by the committee to ask questions this afternoon.

The portfolio to be examined now 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 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 of the time for questions is allotted to non-government members. Government members and non-government members of the committee will take turns asking questions in two blocks lasting approximately 35 minutes each.

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 can participate in today's proceedings only by viewing them. Sessional order 195 provides that strangers to the parliament may be admitted or excluded from the hearing at the pleasure of the committee. If anyone attending today has a mobile phone or pager, please switch it off while in the chamber so as not to disrupt hearings.

The time allotted to the portfolio of Innovation and Information Economy is one and a quarter hours. I declare the proposed expenditure for the Minister for Innovation and Information Economy open to 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, Mr Chair and members of the committee, for allowing me and my departmental staff to appear before you today. Just by way of introduction, to my left is my Director-General, Scott Flavell, and to my right is my Executive-Director, Corporate and Executive Services, Craig Matheson. Of course, we will have people, as you requested, identify themselves as the case may be.

Just over a year ago the Premier established Australia's first Innovation and Information Economy portfolio to drive the Beattie government's Smart State strategy. The Smart State is about Queensland becoming a smart leader in the knowledge economy. My portfolio is doing this by developing and applying the state's strengths in ICT and the life sciences. My portfolio is dedicated to ensuring that all Queenslanders can participate in and benefit from the information age. We want to ensure that it is not just big business reaping the benefits and it is not just the south-east corner, either.

To make this a reality, my department runs two key programs: the Community Skills Development Program in ICT—we call that CSDP—and the ICT Skills Training and Role Models Program called i-STAR. Eighty-six community groups and organisations have benefited since these programs began in 2000 with projects ranging from a innovative community web site in the Murilla shire to the Wired Women in the West project that provides ICT and career training for mothers and home tutors. But it does not end there. I have just announced the Tech Survival Skills Program dedicated to helping people who are disadvantaged, who are over 55, indigenous groups, people with disabilities and women re-entering the work force, to become tech savvy.

The Queensland government itself is also using technology to ensure that Queenslanders can obtain better access to services tailored to meet their needs. Smart Services Queensland is enabling Queenslanders to book camping permits and renew vehicle registrations online with more services to be added over the next few years. Through my portfolio, the government is also positioning Queensland to become the biotech hub of the Asia-Pacific. We are providing a range of funding programs to help our industries at home and are getting the word out to the rest of the world that Queensland is the biotech place to be with our megadiversity, world-class facilities and terrific lifestyle. We have dedicated \$270 million for a 10-year biotechnology strategy that builds on Queensland's biodiversity, addresses our R&D infrastructure and skills needs, and communicates to the nation and the world that Queensland is the natural choice for biotech partnering and investment.

While at the world's biggest biotechnology conference, Bio2002—and I might add that Lawrence Springborg was there with us and performed very well—the Premier and I announced a number of recipients for the \$100 million Smart State Research Facility Fund. This initiative is providing funding that is vital to ensuring that our knowledge industries remain in Queensland. Recipients include \$22.5 million to help create a \$70 billion Institute of Health and Biomedical Innovation at QUT and \$7.8 million towards a \$33 million Australian Tropical Forest Institute in Cairns.

Already, we are seeing great results from the government's commitment to the bioindustries with employment in the state's biotechnology centre rising from 1,225 in 1999 to 2,040 in 2001, and we expect another 981 jobs by mid-2003. Total R&D spending in Queensland increased by 13.6 per cent to \$1,340 million from 1999 to 2001 and my department is currently preparing a statewide R&D strategy—a first for Queensland—that is bringing together industry, research organisations and the Commonwealth to maximise government investment in R&D.

This initiative includes a tropical science discussion paper, which I launched in Cairns recently, seeking to examine Queensland's existing capacity and identify actions that we can take to ensure that we are internationally competitive in this area. We are also harnessing Queensland's human capital. In the last budget, I announced a new Smart Fellowship Scheme, which will receive \$2 million over four years, to help keep our smart minds in the Smart State and attract the best and brightest from overseas.

We want the next generation to be fully prepared for the jobs of the future. That is why my department is raising community awareness and interest in the knowledge industries through a range of sponsorships and events. Next year, the government will fund Australia's first mobile biotechnology travelling exhibition, the Biobus. This will be a mobile biotech classroom that will travel across the state. I am also a strong supporter of initiatives that promote science to students such as the Siemens Science Experience and biofutures forum. My department is also developing a science and technology careers web site aimed at 14- to 17-year-old Queenslanders to give them information about science and technology jobs, courses and careers. This will build on a similar project that I launched last year for an IT careers kit for young Queenslanders, which has been a great success.

This is just a snapshot of the great things being achieved through my portfolio of Innovation and Information Economy. I welcome the opportunity to discuss with the committee today the other results my agency has achieved in its short history as well as detailing my portfolio's future priorities.

**The CHAIR:** The first block of questions will be from the opposition members.

**Mr SPRINGBORG:** First of all, I would like to acknowledge the contribution and the professionalism of the Queensland government at the International Biotechnology Convention in Toronto between 9 June and 12 June and indicate that it is certainly fair that the Queensland government has done a lot in positioning itself, as the minister said, as the pre-eminent state in Australia in the Asia-Pacific region. I would like to turn to your answer to question on notice No. 5 with regard to grants that have been made available to various organisations and, in particular, a grant of two sums of money—two by \$5,000 each—to Cutting Edge Post, informed sources developments, for attendance at a trade show. What indication can I receive from you that this was done in an open and accountable way and that it was not just dishing out largesse to the company that ran the Labor Party's election advertising campaign in the 2002 election?

**Mr LUCAS:** First of all, I should tell you what ITSAP is. ITSAP is the International Trade Show Assistance Program. It is a program designed on a co-payment basis. You require the applicant to make a payment and also through my IIB—Information Industries Bureau—to make a

payment of up to \$5,000 to assist ICT companies from Queensland to exhibit at international trade shows. In fact, the results thus far from ITSAP have been very, very promising. I am advised that Cutting Edge Post applied for two ITSAP subsidies in round 1. The company's applications met the eligibility criteria set out in the program guidelines and was successful in receiving two subsidies of \$5,000 each to attend. The first was Broadcast Asia 2001, which was from 18 June to 22 June in Singapore—that was approved on 12 April 2001—and also Showbiz West 2001, which was from 31 May to 2 June 2001 in Los Angeles, approved on 15 May 2001. Those approvals were made by departmental officers and the subsidy was paid only on receipt of an outcomes report after the respective trade shows. I do not know whether my director-general would like to add anything.

**Mr FLAVELL:** Following issues raised in the media about Cutting Edge Post, the previous director-general sought advice from the Crime and Misconduct Commission about a process for stage 2 of the ITSAP grants, to which Cutting Edge Post were an applicant. He received advice back from the Crime and Misconduct Commission that it should be satisfactory to proceed with the process in relation to Cutting Edge Post's involvement. I have taken a decision that I should delay that process pending the completion of the CMC's investigations.

**Mr SPRINGBORG:** I have a follow-up question with regard to the International Trade Show Assistance Program, which these two grants came under. Can you give me an indication of what percentage of applicants are actually successful with regard to their grant applications? Do you have those figures?

**Mr LUCAS:** I am instructed that in relation to round 1—and they were the ones where those two grants were made—every organisation that applied and met the eligibility criteria, in fact, received a grant. So there was no-one who did not meet the eligibility criteria who applied and who missed out.

**Mr SPRINGBORG:** Can we have a copy of the eligibility criteria? It is probably publicly available, anyway.

**Mr LUCAS:** No problem. I probably do not have it here, but we are happy to supply it to you.

**Mr SPRINGBORG:** I would like to move on to page 7 of the MPS with regard to the biodiscovery policy for your department. I am talking here about, as you have previously mentioned, the very rich and diverse flora and fauna reserves that we have in this state and the wonderful capacity that there may be for a whole range of new compounds, pharmaceuticals, medication—all of those sorts of things—to come forward from there. Can I have an indication from you with regard to bioprospecting? How many people or companies are actually involved in bioprospecting in this state? How does one go about gaining access to the right to discover what our flora and fauna may have to offer?

**Mr LUCAS:** When you say bioprospecting, I take it you mean the act of bioprospecting?

**Mr SPRINGBORG:** Yes.

**Mr LUCAS:** There is a company called BioProspect that do bioprospecting, but I understand that you are referring more generally to the issue of bioprospecting.

I am not aware of how many companies in Queensland are potentially undertaking biodiscovery and one of the problems at the present time—and this is why we have issued the biodiscovery policy discussion paper—is that the state has no ability to exercise any influence on people who are conducting biodiscovery activities on private land. That is quite a problematic issue, the right of people's access to private land. There are, I am told, about 12 firms, but that is how many we think exist.

The biodiscovery policy discussion paper is about access to state-controlled land, which is obviously land that we do have control over, and the basis upon which the government will allow people to get access to state-controlled land. Already we have signed a number of biodiscovery agreements with various organisations. In fact, the Premier signed one with the Australian Institute of Marine Science a little while ago.

We released this discussion paper—which I am happy to provide to the committee—on 29 April 2002 and that is about getting a systematic method of biodiscovery. There are many different permits required at the moment and there are a number of issues that we have to address. One thing I am not prepared to see, as the minister in charge of this area, is people from overseas—say the United States—pulling branches off plants in our rainforests, sticking them in a plastic bag, taking them over to the USA and we never see anything ever again. This is

of critical importance to us. If we want to be more than a place where the plants grow and people knock off the plants, we need to actually be very serious about biodiscovery.

So there are two aspects to it. First of all, one aspect is ensuring a reasonable return to the people of Queensland for what are our assets; secondly, to ensure that our flora and fauna is protected; thirdly, I suppose, to ensure that when biodiscovery does take place, that, as far as possible, those downstream activities that occur as a result of that occur for the benefit of the people of Queensland.

You have only got to look at the agreement that was signed by the government and AstraZeneca, the major pharmaceutical company. In addition to the promising leads, that has realised \$46 billion worth of investment at Griffith University and 45 jobs. That is what we are serious about—not sending stuff off overseas that we never see again. We want to make sure that our biodiscovery policy is rational, sane and is in the best interests of everybody in Queensland.

**Mr SPRINGBORG:** The situation with AstraZeneca, that relates to the permitting of one company to be able to access certain state lands, does it?

**Mr LUCAS:** No, it is not an exclusive arrangement with AstraZeneca. The state does not enter into exclusive arrangements. I am happy to outline a bit further the AstraZeneca arrangement. AstraZeneca, of course, is one of the world's largest pharmaceutical companies. They entered into an agreement with the state government for collection in state-owned land of specimens of plants and animals. What that does, aside from having its biodiscovery benefits and, as I indicated to you before, the jobs at Griffith University which are top quality jobs and big investment, and in addition to the science spin-off, the flora and fauna samples are in fact collected by the state herbarium and the Queensland Museum. What that has actually done—in addition to all these other benefits, we are now significantly increasing our collection of the state's flora and fauna that would otherwise have been a drain on the budget or taken many, many years to collect. That is how you can actually get win-wins for the state.

The other thing I should say to you as well is that when you look at biodiscovery, it is not like a traditional extractive industry or logging; it is about collecting a branch off a plant—that is all you need—or collecting a section of a sponge in many cases. This is very environmentally sustainable and it is the real future of Australia and, indeed, Queensland.

There are a number of examples that I could give you. The Australian Institute of Marine Science are doing some excellent work at the moment with culturing sponges from the reef. I have got a bit of a personal view, and obviously they must have as well, that everybody—the mums and dads, the people in the street—should have an opportunity to benefit from biodiscovery. In fact, what is happening with these sponges that are being grown out is they are being grown out in cooperation with the indigenous people from Palm Island in a manner that they are satisfied with and in a manner that can potentially earn them some money, because native title holders or, indeed, indigenous people have every right to also expect something of the benefits of our tremendously diverse flora and fauna.

The AstraZeneca arrangement is not an exclusive one. They have got a right to the branch, but anyone else can come along to that same tree and remove another branch from it. There is no exclusivity at all about that, and that is very important to us.

**Mr SPRINGBORG:** So basically anyone out there who has an interest in bioprospecting and is prepared to follow a basic guideline is able to enter into that—

**Mr LUCAS:** Oh no, it is not basic guidelines. If you have a look at the biodiscovery discussion paper, you will see that we have actually put the draft agreement in there. You could not ask for anything more fair than that. In fact, what lawyers used to do is they used to look for these sorts of public agreements and knock them off and then charge their clients for them. But we are nice and we have actually put the detailed agreement in here. The only thing we do not put in here is the royalty amount because that is commercial-in-confidence. Clearly we want to maximise the benefit for the state; we do not want people bargaining us down.

There are very strict conditions. The absolute first principle is environmental sustainability. We also want to ensure that the future cure for Alzheimer's or Multiple Sclerosis or any of those chronic ailments that we suffer from in this country are available. If they are on our reef or in our rainforest or in our tropical savanna in Queensland, we want to ensure, first of all, that they are discovered; secondly, that they have done it in an environmentally sustainable way; and, thirdly, that there is a benefit for Queensland in that the drugs are developed here. I think there is a real great benefit in our pursuing biodiscovery policy.

I like to indicate to people, because they do not often understand the biodiversity that we have in Queensland's reefs and rainforests, that there are more tree species in North America than there are in Europe, and that there are more tree species in one hectare of rainforest in the Daintree than there are in North America. That gives you the idea of the biodiversity that is out there. That is why those people who fought the fight for protection of those rainforests not too long ago have actually done us a great service. The clean, green environmentally sustainable industries that will come out of those rainforests in the future will position us in the Smart State with jobs for kids up there in Cairns or kids in Brisbane arising out of biodiscovery, the downstream science and the drug development that comes out of it. This is of critical importance to Queensland.

We are the only state that has actually got around to putting out a biodiscovery policy discussion paper, because we are happy to do it in the open and we are happy to actually let everyone have a say. It will take a long process. Initially, this is about state-owned land. Of course, we do not control Commonwealth-owned land. In the future we will have to talk about privately owned land, although that issue is far more problematic. I am pleased to say that, in fact, companies are wanting to seek out the government to look at negotiating biodiscovery agreements because they see great benefits in being able to identify where they got their compound from for intellectual property reasons, amongst others.

**Mr SPRINGBORG:** I have a further question with regard to bioprospecting and the royalties that actually come from it. Would the minister be able to give an indication—I will be happy to ask the question on notice—of the quantum of those royalties which have been collected?

**Mr LUCAS:** They are commercial-in-confidence, but I will give some consideration to whether I would be able to brief you privately on it. They are very much commercial-in-confidence because we do not want a situation where people are trying to barter with the state government in terms of what is the future and what is the property of current and future Queenslanders that has a real benefit for them in terms of the outcome that we can get for the state. Not only do we want, as I said to you, to get a commercialisation aspect of it, we want to get a return on revenue because that belongs to the people of this state. Whilst I do not think there are many governments that are prepared to put the absolute detail of all agreements that they are proposing to enter into with people in a public document, we are prepared to do that because we see it as important to be open in that respect. However, there are also important issues of state interest here and I will vigorously defend the state interest over commercial interests that may wish to prevail to deal us out of what would be our fair share of royalties. For too long that happened in the past and I am not prepared to allow it to happen in the future.

**Mr SPRINGBORG:** The issue here is not that the government is not fulfilling its proper regulatory role. That is a given. The matter, I suppose, from our perspective is to ensure that the people of Queensland actually have some idea that they are getting their fair share back for it. When I mentioned before about the quantum, I was talking about the absolute overall amount that was actually being recovered. The fact is that we do need to know some of these things because obviously a framework of transparency ensures that we have a policy which is about protecting and preserving our biodiversity in this state, and there is not just going to be a royalty focus.

**Mr LUCAS:** I am happy to answer those issues. First of all, can I just tell you that I am not the sort of person who is going to be a pushover, nor are the people in my department. In fact, I am very proud of the work that my biotechnology regulation team do. They are top quality public servants who are, in fact, sought out in Australia for their expertise.

There are a couple of other aspects of the state interest that I should indicate that we protect vigorously when it comes to biodiscovery. I am not a scientist and I do not know, when someone collects a particular specimen, what might happen to it. So we have a very stringent requirement when any specimen is taken that we get another copy of that specimen ourselves. The voucher specimen is lodged with us so that if there is some argument later on that a compound did or did not come from a particular bush, we have a copy of it with which to compare it. We also require a lodgment of the voucher specimen at the herbarium or the museum, as the case may be, depending on whether it is plant or animal.

They are then required to report to us on what they are doing. We do not want a situation where someone all of a sudden says, 'Yes, we discovered this really promising compound, but it is not from one of your forests or state-owned land.' That is why we are very stringent on that, and that is why there are also stringent controls on who might do a commercialisation or subcontract out of that as well.

**Mr SPRINGBORG:** My next question basically is: what did it cost to develop a whole-of-government framework for the control of government information through the Queensland government functions thesaurus, and what is the practical benefit of this to the people of Queensland?

**Mr LUCAS:** I can approach this from a number of areas because there are a number of really important challenges that face government in this information age. Once upon a time, 100 years ago, documents recorded things that were important, and if it was recorded in a document it was probably worth keeping. Before then not everyone could write and we did not have the availability of typewriters. The challenge that we face now in government is not that everything important is written down but that everything is written down. Indeed, I think it will get worse in the future when we have proper voice recognition software—even more things will be written down.

The issue that we need to address is how to make sure we can store and retrieve that information. In 50 years time, if someone wants to write or do research about a particular politician or a government department, the worst thing you could possibly do is say, 'Look, here are 5,000 emails that they sent amongst themselves. Most of them are routine things that might be "Can you please ensure you pick up the milk today?"' What we need to do is ensure that we know what is searchable.

One of the things about a functions thesaurus is to try and arrive at common standards amongst government for recording what ordinary practices are, and this is about doing that. At least then, when we can try and recover or retrieve or sort out things electronically, the thesaurus has facilitated that. That is part of best practice records appraisal and disposal, and I am very proud of the role that Archives does there.

I am told in relation to the thesaurus that the expenditure to date is a fairly modest \$30,500 and that funds remaining for 2002-03 and beyond is \$59,000. This is a big challenge for us in the Queensland Archives. We need to have quality of information kept and also the ability in the future that if there is information that is not so important, that can be discarded. Of course, not only do we have historical interests which are relevant to people, but we have legal proceedings that might require the finding of information or we might have research or we might have personal issues.

The thesaurus will cover about 6,000 government functions and activities. We expect it to be completed by 30 September 2002. Of course, one of the big roles is finding out what we are doing in terms of researching the functions, so we make sure that what we do aligns with our government agencies. We hope that it will. When you look at the cost of it and that it will be, hopefully, available to 800 authorities, it is a fairly minimal cost. As I said, approximately \$30,000.

**Mr SPRINGBORG:** I would like to ask a follow-up question with regard to international trade show assistance program and the fact that the minister indicated that every organisation that met the criteria was successful in getting its grants. I would be happy to put this question on notice, but can the minister provide details about every recipient that applied for that grant?

**Mr LUCAS:** For that first grant? It is in the material that I answered.

**Mr SPRINGBORG:** I am talking about the ones in relation to which the minister said that they met the criteria. There may have been others that did not quite fit into the eligibility criteria. There may have been others.

**Mr LUCAS:** I will have to consider that. When we make a grant to someone, we announce it publicly. As I said, everybody who met the criteria got one. If we are talking about companies that are non-eligible, to release that information publicly could damage the standing of that company in the sense that they were not eligible. People might draw adverse inferences about the quality of that company. I will give some consideration to that. Again, it may be something that I am prepared to give consideration to briefing the member on on a confidential basis, but I will have to take some advice in that regard.

The director-general has indicated that no further action is proposed in relation to a current application by Cutting Edge Post until such time as the CMC investigation has been completed. No doubt they will go through the appropriate process to look at these other grants as well if they see them as being relevant. The director-general did indicate earlier correspondence that indicated their point of view at that earlier point in time.

**Mr SPRINGBORG:** With regard to the operations of CITEC, the portfolio statement indicates that CITEC provides services on a fully competitive basis. How do we know that its services are

competitive and that it is not charging government at a higher rate and private clients at a lower rate?

**Mr LUCAS:** My ministerial colleagues are more than happy to point out to me whenever they consider that CITEC may or may not be competitive on an issue. As far as I am aware and understand, contracts that CITEC bids for with the state government are generally done on a competitive basis and are subject to evaluation under the normal tendering bases for relevant departments. It is a significant business activity under the Queensland Competition Authority Act. It needs to compete in the private sector and it competes against the private sector for government business. It needs to do that and it does it on a commercial rate. I am told that CITEC does not undertake any tied work, so there is no guarantee. If other government agencies wish to go to organisations other than CITEC, that is their decision.

Having said that, we are the only government that still owns the state government computing agency. We are the only government that still owns the government printers, too. I might add—not that Goprint is my responsibility—that it is interesting to note that the New South Wales education authorities' examination scripts are printed at Goprint. There is some certainty about this being provided by our people in terms of data security and ownership. On the other hand, government ownership sometimes does not have as much flexibility as private sector ownership, but CITEC is probably the largest Australian owned application service provider. It is the largest Australian owned application service provider in the ICT industry. Everyone that is bigger than it is a multinational or foreign company. We are very proud that it operates in Queensland. It has about 650 personnel, 50 of whom are interstate and indeed competing in the interstate market, which is good news for us. CITEC has a number of interstate clients. I have no evidence whatsoever to suggest that there is cross-subsidising at all by charging government at a higher rate. The simple fact is that it does a very good job. We have appointed a business enterprise board to give it continued customer focus to ensure that in this big bad world of difficulty in the ICT industry it continues to do well.

**Mr SPRINGBORG:** What proportion of the revenue raised by CITEC actually comes from government compared to outside sources?

**Mr LUCAS:** I am told that is in the question on notice.

**Mr SPRINGBORG:** As a percentage?

**Mr LUCAS:** I will get the managing director of CITEC to provide some more detail.

**Mr McCALLUM:** We have not done numbers for the year just completed. In the prior financial year, 43 per cent of CITEC's revenue came from the private sector and approximately 25 per cent from outside Queensland. Those numbers obviously are done on different bases, so they do not add up.

**Mr LUCAS:** It is great news for Queensland that 25 per cent of its revenue came from outside Queensland.

**Mr SPRINGBORG:** From what I can gather from the budget papers, CITEC indicates that it has made a loss in the last two years. How does the minister see things going in the future for CITEC?

**Mr LUCAS:** There are a number of relevant matters in terms of CITEC's performance. It has been a very difficult market when it comes to the issue of profitability for ICT companies. Indeed, whilst in 2001 CITEC did not have a great trading year, when we look at some other companies in Australia, IBM-GSA reported a decrease of \$70 million in its pre-tax profit for the 1999 financial year; CSC Australia reported a \$12 million loss for 1999-2000; Data 3 recorded a half year loss to 30 December 2000 of \$2.7 million; Telstra reduced its projected profits by \$400 million; and Mincom posted a \$40 million loss for 1999-2000.

It is not an easy environment at the moment. CITEC has had to make sure that its services are properly aligned to the market. It is no longer undertaking a number of non-core services, web page development for example. Queensland has some very strong companies at an SME level. Larger organisations such as CITEC can sometimes be a bit unwieldy to do web page development. We are looking at what we are good at and seeing where there are other opportunities for other people to compete. CITEC for example these days does not have much of a software business at all. The member might know that originally the Electsys system used by members of parliament was developed by CITEC. CITEC does not do that anymore because that is not something it thought it was particularly good at. CITEC is good in other areas and is very much continuing to refine what it is doing.

As a result of a review commissioned by the then Minister, Terry Mackenroth, the business enterprise board was appointed by me to give CITEC an ongoing commercial focus. That business enterprise board has already provided very good results to CITEC in terms of its profitability and its business focus. Ultimately, companies need to be client focused, and it is getting more and more client focused. Sales are budgeted to grow from \$119.8 million in 2001-02 to \$125 million in 2002-03, so it is growing. Also, we are very careful to make sure that we align ourselves with the market. CITEC's future does look good. It has very committed staff. As a government, we are very committed to it. I hope that its position will continue to improve, but it is a difficult environment for IT companies. I gave examples of others that have had far more difficulties than has CITEC. I should add that the estimate is a net profit before tax of \$3.5 million for this coming year.

**Mr SPRINGBORG:** Does the government tender all of its IT work and, if so, who assesses such tenders? With regards to CITEC, is there any cross-subsidisation of CITEC from the government or taxpayers?

**Mr LUCAS:** I will answer the last question first. It is a commercialised business unit. No, it is not cross-subsidised. All of its revenues are devised from sales and other user charges. That is CITEC's position. In relation to government IT procurement, I cannot answer in relation to other government departments because I am not responsible for IT procurement for other government departments. There are a number of areas where my department does provide services to other government departments. We do support a standard government contract called the GITC. The GITC is not compulsory, but it attempts to provide a contract that is fair to government and to those people in the industry so that they can contract with government on equal terms and at terms that do not require a new contract every time.

In terms of government IT purchases—and this has been an initiative that I and the IIB have worked on, one that I think is very important—there is our partners in technology briefings. Treasury, Health and Public Works have already participated in the partners in technology briefings. Often the ICT industry says, 'Listen, government, the first time we ever find out about what you are doing in IT procurement is when we read something in the paper for a tender. That is often too late because we have not aligned ourselves to what that particular tender might be or we think that is a really silly policy that we want to talk the government out of but it is too late; the request for tender has gone to the newspaper.' With these partners in technology briefings we want government departments to say, 'Listen, this is what we are thinking of doing in the next few years. These are the sorts of areas we want to align our purchasing to.' So the industry can say, 'That is something for me' or 'That is not something for me' or 'Gee, that is really mad; we need to talk them out of it.'

As the member would know from his time as a minister, once we are in the tender process it is really hard to change things. If we can do it earlier on, that is really important. In terms of the first part of the question, the member asked about IT procurement across government. I said that I am not responsible for other departments, but my department does comply with the requirements for tendering of IT purchases. There are conditions sometimes that the tendering comes from a closed list tender, an open tender or a select tender, but there are situations where there is a genuine business need that precludes our going to tender. Those situations are provided for and there is a set framework that the government must comply with in those situations.

**Mr SPRINGBORG:** I have a further question in regard to question on notice No. 5 concerning the total remuneration CITEC stands to receive from existing contracts in 2002-03. The answer says that it will be \$76.5 million and it goes through a range of other issues. I also asked for information or disclosure with regards to the name of the clients. The minister indicated in his answer that, in terms of commercial-in-confidence requirements associated with contractual arrangements between CITEC and its client base, such information cannot be provided. Would it be right to assume that all those contracts would be with private sector agencies?

**Mr LUCAS:** No, some of them are government, some private and some interstate. CITEC is a commercialised business unit. If I went down the road to Mincom or Technology One and said, 'Who have you entered into contracts with and give us some details,' they would tell me where to hop off in no uncertain terms. If we expect CITEC to compete in the marketplace, to continue to be viable, to continue to employ Queenslanders and to be the largest Australian owned application service provider, it needs to be able to compete on a commercial basis. Whilst we are more than happy to provide the information in terms of the number of contracts it holds and the income it receives from them, the simple fact is that that material is commercial-in-confidence.

Occasionally you will see when any organisation enters into major contracts that they are the subject of publication in the press. But as a general rule, these things are commercial-in-confidence. I do not think it takes much thought to understand why they are.

**The CHAIR:** The time for opposition questions has expired. We will now have questions from government members.

**Ms BOYLE:** Minister, I dare say you are aware that there is a lack of women in the IT work force. In fact, only about 31 per cent of employees in the ICT industry are women. Further, there are very few women going into IT studies. The figures I have indicate that women make up only 23 per cent of ICT students in higher education. Will you please explain what the Queensland government is doing to turn this problem around and to assist the growth of women in the ICT industry?

**Mr LUCAS:** Unfortunately, the member for Cairns is correct when talking about the disappointing level of women undertaking IT careers and IT studies. According to statistics compiled by the Queensland Office of Economics and Statistical Research in its survey into the ICT industry, 31 per cent of employees were women and 23 per cent of IT students in higher education were women. That is extremely disappointing. One of the things about information technology is that it is a career that is varied in its offerings to people. Some people—and this goes for women as well as men—might have an artistic bent. Perhaps web site development is for them. Other people might have a highly technical nature. Perhaps network engineering is for them. Other people might be great communicators, and working on a help desk might be for them.

We are attempting to explain to people, particularly young people, the various careers available in IT, including not just university qualifications but also TAFE and other qualifications. We developed the IT&T Careers Kit, the CD-ROM for which I have here. The young woman on the cover, who works for Auran Net, a major Queensland software company, has pink hair. The reason she is on the cover is that she looks like a young person and I do not. This is specifically targeted at young women and men to encourage them to see amongst their peers what sorts of careers there are for them in information technology. I might just say parenthetically that we are going to do one in science this year as well.

Specifically for women, we spent \$140,000 on 11 projects over the past year through our i-STAR, or Industry Skills Training and Role Models, program. In particular, we have had a number of events in Cairns out of James Cook University encouraging young women and kids from remote and indigenous communities, too, to look at careers in IT. This is about encouraging them to see that there is a role for them. My department is very active in its support for women in technology. It also has a branch in Cairns. It is a model group when it comes to advocacy. It is a great organisation. We have given \$25,000 to it this year to encourage more women on boards. I have attended a number of seminars where they have said to women, 'This is what you need to do. These are the sorts of things you need to do,' so they get prequalified for work in that area.

The member for Gregory would be interested in this. The Queensland Rural Women's Network, through our Community Skills Development Program, was given \$30,000 to train rural women in information and communication technology. There is a whole lot of them. The simple fact of the matter is that we do not want to leave women behind. The ICT industry allows flexibility of work. Telecommuting is often a factor in the ICT industry and women should be encouraged to look at those wonderful opportunities. Balanced employers recruit men and women in equal numbers.

**Mr LIVINGSTONE:** I note that the Smart State Research Facilities Fund received some additional attention recently while you and the Premier were in Canada for BIO 2002. Can you explain how this fund works and how it has been used since being announced in last year's state budget? Perhaps you could illustrate the type of research it is helping to fund with a couple of examples?

**Mr LUCAS:** I would be delighted to do that. One of the great pleasures among my portfolio of administration is the Smart State Research Facilities Fund. That is a \$100 million fund announced in last year's budget but carried on in this year's budget to leverage high-quality research at our institutions and universities that has a commercialised outcome. The Smart State is not just about people in lab coats at universities doing top-quality research, though fundamentally that is incredibly important. It is about people in your electorate or the electorates of anyone in front of me here or, indeed, my own electorate having something as a result of the commercialisation of that science. The Smart State Research Facilities Fund is assessed on a

very competitive basis by a panel of very prominent Australian researchers and academics. We insist on commercialisation outcomes and key performance indicators that will benefit the people of Queensland.

I will just give you some examples. Already we have provided funding of up to \$20 million to the Australian Institute of Bioengineering and Nano Materials at the University of Queensland. This is our component. The total component of that project is some \$60 million. We are putting money in, the university is putting money in and the philanthropist is putting money in as well—Atlantic Philanthropies. We are about multiplying money. Therefore, the money that the state puts in gets multiplied many times so we get an even bigger bang for our buck.

Often people say, 'You are doing all of this work in biotechnology and that is really important'—in fact, it is very important to the Premier and to me—but there are other areas that we work in. I am very proud that one of the great announcements the Premier made was \$7.4 million to the Centre of Excellence in Engineered Fibre Composites at the University of Southern Queensland. There are 20,000 bridges that need to be replaced in Queensland. These are timber bridges, most of them carrying rail lines and so on. Timber has a fairly small profile compared to concrete. Fibre composites offer the opportunity of replacing those bridges with the right clearance, which concrete sometimes does not. The fibre composite material I am holding is the same strength as the block of steel I am holding. I will pass it to members of the committee so you can have a look at it.

**Ms BOYLE:** Is that in the standing orders?

**Mr LUCAS:** I have to get it back. It belongs to the university. That will give you an idea of the difference in strengths we are talking about. This is an industry, developed by Wagner fibre composites in Toowoomba, that has real opportunities for the future. Just when you thought it was getting good, I have even more stuff—a new type of lightweight polymer concrete—developed at USQ. As you can see, it is pretty light. You can have a look at it also. Could I have leave to finish that point?

**Mr LIVINGSTONE:** Yes.

**Mr LUCAS:** There is \$22.5 million to the Institute of Health and Biomedical Innovation at the Queensland University of Technology; \$4.5 million to the Australian Computational Earth Systems Simulator at the University of Queensland; \$1.5 million to the Cryoelectron Microscopy facility at UQ, which slows down electrons and atoms so you can look at them a lot more clearly; and \$7.8 million to the Australian Tropical Forest Institute at James Cook University in Cairns. I talked about our biodiversity before. James Cook is arguably the finest tropical research university in the world. This is about getting outcomes from the science that we are doing there on a commercialised basis.

There were some great announcements by the Premier at BIO 2002 at Toronto. Again, I will pay credit to the member for Southern Downs, the Leader of the Liberal Party and the Leader of One Nation for playing a role in advocating for Queensland. It is very important that we continue to do that. The message we sent the people in Toronto was that no matter who is in government in Queensland we are interested in doing business in science, and biotechnology is important to us, whether we be from the Labor Party, the conservative parties or the Independents. This is not a political issue; it is an issue for the future development of our state.

**The CHAIR:** With respect to the recently released Queensland Research and Development discussion paper, are you aware of what the Commonwealth government is doing in respect of R&D and how its activities will impact upon those of Queensland?

**Mr LUCAS:** Mr Chairman, I know you have a very strong interest in research and development. Our research and development strategy is very much a key part of the Smart State philosophy. It might interest members of the committee to know that when we look at various expenditures on research and development Queensland spends more money per capita than any other state. In 1999-2000 the Queensland government spent \$66 per head on research and development compared with \$39 per head by the Victorian government and \$42 per head in New South Wales. Our per capita expenditure is very high. The federal government expended \$73 per head on R&D nationally but \$33 per head in Queensland. New South Wales did not do much better at \$38, and Victoria gets \$79.50 per head from the Commonwealth government.

I am delighted that Peter McGauran, the federal science minister, has said that they are going to have an inquiry into business R&D investment. That is excellent, because Australia's percentage GDP spend on research and development is very poor. But I think the Commonwealth government might also want to have an inquiry into how much it spends on

research and development in Queensland. We have got top-quality science taking place in this state, but we are ripped off by entrenched southern interests. It is about time that the Commonwealth government also saw the benefits of a bit more equity in its R&D spend.

There is some good news. I note Minister McFarlane has been quite even-handed in his appointment of his biotechnology advisory committee, with strong Queensland representation. But let us see the Commonwealth's rhetoric flow through to dollars, because it is very important for our future that Queensland taxpayers also get to see a good share. They have frozen their R&D start scheme federally. That \$40 million scheme helped fund Wagner fibre composites. We put in money as well, as I indicated before. But if Wagners wanted that money today, the scheme is frozen. Where would that leave the material that I was just passing around? The Commonwealth has a role. We applaud it on developing national R&D policies. But the message to them is: do not leave Queensland out. We will be telling them long and loud that it is about time they recognised the science we are doing here. I will give you the news: the biodiversity in Australia is in Queensland, not in Victoria. I will table that media release for your benefit, Mr Chairman.

**Mr STRONG:** In recent statements you have made it clear that you feel very strongly about telecommunications in the bush and mobile phone coverage. Can you please outline what role your department is playing in helping roll out these services and helping to ensure that small Queensland communities get the coverage that they need?

**Mr LUCAS:** I thank the member for his question, because telecommunications is a big issue in his electorate and in any rural and regional Queensland electorate. Despite the fact that the Commonwealth government has responsibility for telecommunications policy—that is a specific head of power under the Commonwealth constitution—the Queensland government will not allow the people of the bush and the regions to be left behind. I think the Queensland government has had a very good record in terms of what we have been able to do in leveraging better telecommunications infrastructure for Queensland.

For example, last year we launched the Reef network, a competitive fibre-optic link between Brisbane and Cairns. Prior to construction of the ReefNet the only fibre belonged to the major carrier, Telstra, so there was no competition in that long-haul fibre. That is a distance, as we all know, similar to that between Brisbane and Melbourne, but there was no business case to support it. The Queensland government, through being intelligent and smart about its contracting, was able to say to industry, 'Look, if we aggregate part of our telecommunications spend, what can we do to leverage an infrastructure outcome?' By guaranteeing a proportion of our \$172 million per year spend over about five years, we have guaranteed the construction of the ReefNet. After about five years we can walk away and spend our money elsewhere. The good news is that we did not have to dip into taxpayers' pockets to build anything. It does not belong to us. We use it. There is already a two-thirds reduction in wholesale broadband costs down the length of the ReefNet. That is a very important benefit to the Queensland government. We have got cheaper telecommunications prices that will flow on to others as well. There is now competition for any telecommunications company that wants to use it. That is important. We have gone further now.

We have built the superhighway, but a lot of people in rural and remote Queensland do not have any or have very little service. We have looked at aggregating our government demand in areas of north, far-north and north-west Queensland, and working very closely in particular with the Education Department, which has a lot of schools in those areas. To the telecommunications company we are saying, 'This department, ourselves and a number of other departments are prepared to aggregate our demand. What services can we get?' Again, we do not need any more money from taxpayers. I do not have to go to the Treasurer to ask for more money. We are providing better services for rural communities through better competition.

As far as I am aware, no other state has bothered to go down that path. The Commonwealth is a major purchaser of telecommunications as well. What is it doing in that area? I will tell you what it has done: it sold half of Telstra, got \$30 billion and spent about \$173 million in Queensland. Our share of that would be \$6 billion, if it wanted to repay the money back to Queensland. Could I have an extension?

**The CHAIR:** Yes.

**Mr LUCAS:** I feel very sorry for the members for Southern Downs and Gregory. I know they would be embarrassed about it, because I know they have a commitment to the bush. Now it is saying, 'Look, we have half done the job. If you sell the other half of Telstra, we'll finish it.' I am

going to get some extensions built on my house soon. Frankly, when I strike a deal with a builder, I want to pay them one amount and not have them come back halfway through the job and say, 'Look, I'll finish it if you pay us again.'

I have here a map of Queensland that shows you what is available in terms of mobile services. The yellow is what is currently available and the blue, I suppose you would call it—I am partly colour blind, so I am not very good with colours—is what will be completed. However, we still see that on those major western highways there is not complete mobile phone coverage. I have got news for people: people actually live in western Queensland. We are a very decentralised state. It is about time the Commonwealth and, indeed, the federal National Party realised that before they start talking about selling the rest of Telstra they should fill in the coverage for mobile telephones on those highways, because it is very important that it is done for the strategic interests of our state.

We have also done things such as our customer access network study, which the member for Nicklin might be particularly interested in because of the area that he represents. That is a study with detailed research about the nature of the telecommunications market in regional Queensland broken down by centres. We can say to telecommunications companies, 'Here's the survey. There might be a business case for you to look at furthering it.' We want to foster competition with our telecommunications policy, but we are not going to go down the path of the Commonwealth, which frankly has ripped off the bush. It spent \$173 million in Queensland and got \$30 billion for the sale of Telstra. It has not done the job properly and now wants more.

**Mr LIVINGSTONE:** Minister, I am aware that one of your big passions is helping Queensland entrepreneurs get their ideas to the commercialisation stage. However, I am also aware that only five per cent of private inventors ever reach the marketplace and, of those that do, only three per cent survive the first five years. Can you please explain what role the Queensland government is playing to support entrepreneurs and improve those odds and why this is so important to the Smart State vision?

**Mr LUCAS:** Absolutely. One thing that we want to make sure of is that smart ideas in the Smart State are not left on the shelf. If you leave these smart ideas on the shelf, they will just sit there gathering dust and the state will be no better off as a result of it. Can I just say as an aside that it is also very important to understand that we have got a great culture of innovation in Australia. You have got to look at things like the Victa lawnmower, the stump-jump plough, the ingenuity of the Anzacs in Gallipoli with their gun sights and then their retreat, and the black box flight data recorder. They are all Australian innovations. We just have not been too good in the development of them. Often one of the problems that innovators and creative people face is that they feel as if they are a bit alone when it comes to their great idea. I will give you an example from my old profession as a lawyer. If someone came to me about intellectual property in relation to invention, I would not know the first thing about answering it. They might go and talk to their local solicitor and not get an answer if that person is not a specialist.

We think it is really important to encourage innovation no matter where it is, so you do not have to be near a centre. We spent some money on developing the I2M, the Ideas to Market, web site. I suppose I could get it on the Net and turn it around and show you on the screens, but what I will do instead is give you a copy of the opening page of the Ideas to Market web site, which is about encouraging someone who has got an idea and is wanting to commercialise it to go through various areas and check lists. It has links to other sites. It provides advice if you are pre start-up stage or in the growth stage, or you might need advice on human resource management, commercialisation, commercial structures and intellectual property.

You might not know this, but if you actually have an invention and you go and tell someone about it, you could be found to have published that invention before you have protected it and you can lose your intellectual property rights. People at university seminars have had that happen to them by doing that. This is about giving people that sort of information by providing it free on the Net. One of the chief guys from UniQuest, the commercialisation arm at the University of Queensland, told me that he is going to make sure that any academic there who wants to commercialise an idea looks at this web site before they do it.

There are other schemes such as the technology innovators forums to get networking opportunities for innovators and our bio-accelerator. I have got a very nice picture of it if you would like to see it, and I will hold it up. I am going to sign the memorandum of understanding with Graystone this afternoon, which will be based out at Springwood. It is helping those companies that have spun out of universities and other institutions in terms of biotechnology spin-offs in

sciences. We have got a smaller copy of that for members of the committee if you want to have a look at that or take it away and put it on your wall.

There is the Sunshine Coast University Innovation Centre. We have got i.lab, which is the first technology incubator in Queensland. We also have the Innovation Start-up Scheme, which has provides \$82,500 worth of early grant money to individual innovators who want to protect intellectual property or get legal advice or get prototypes made. So there is a real comprehensive framework of what we are doing in this state in addition to what the Commonwealth is doing. We are happy to give our people an unfair advantage in that regard.

**Ms BOYLE:** I am interested, of course, in the biodiscovery discussion paper and the actions that you are taking, Minister, particularly with regard to tropical rainforests. You have given us a little bit of information today about the wonders there are in a small area of the Daintree. What about tropical science? Where is it going? What are you doing?

**Mr LUCAS:** I have spoken before about the amazing biodiversity that we have in north and far-north Queensland and, indeed, in north-west Queensland when you look at the tropical savanna that is there as well. Those are opportunities in an environmentally sustainable way that make this country a great tourist destination, a world-class mining operation and a place with top level commercialised science. Our biodiscovery policy discussion paper—and I indicated a little bit about that earlier—is about encouraging the biodiscovery that takes place mainly in north and far-north Queensland. It is also linked in the south-east of Queensland with the Institute of Molecular Bioscience and AstraZeneca and Griffith. Xenome is developing a very high-quality palliative pain care reliever from one of those terrible pointy shells that I have picked up on the reef. It did not sting me, fortunately, because you are not around after they do. So it is developing a pain-killer. These are the sorts of opportunities that exist.

AIMS has identified a compound and coral that provides a natural sunscreen. BioProspect, which, I might add, is shifting its headquarters from Western Australia to Queensland because of the work that we are doing here, has identified a natural insecticide called QCIDE based on a certain tree on the Atherton Tableland. It recently announced a collaboration with the Japanese company Sumitomo Chemical for the first field trials targeting fruit and vegetable pests in Japan, the US and Europe. Those are some of the things that are happening.

We have also released our tropical science discussion paper, which is specifically to discuss tropical science. That talks about a number of issues that are important in addition to biodiscovery. If we are going to promote tropical science, we need to understand that there are infrastructure issues that people in north and far-north Queensland are confronted by. We need to address that seriously as a government. We need to address coordination. We need to be talking to our universities and, indeed, our schools in that part of the world to see what we are doing to encourage school students to have an alignment towards the sciences and what advantages and opportunities they see from tropical science.

We need to look at how we can do collaborations. There are tremendous opportunities in tropical horticulture and forestry that exist, and we need to look at how we should do that. There are environmental management issues as well. We see that as extremely important. This is very much the future. I have to say that I have been really thrilled at the reaction that we have got from the community in terms of our R&D strategy paper, the biodiscovery policy discussion paper, and this tropical science paper. As I said, no-one else is bothering to try to discuss the issues with the community. They seem to be just leaving them on the shelf. We are prepared to discuss it because we think it is extremely important.

**The CHAIR:** Minister, that concludes consideration of the estimates for the Innovation and Information Economy portfolio. Did you have anything else you wanted to add in closing?

**Mr LUCAS:** I want to thank the committee for having me here today. I thank Hansard, the committee support staff and my personal staff. I also thank my director-general, my executive director of corporate services and the department, of which I am immensely proud and have the honour to serve in a government that leads. I commend our estimates to you.

**The CHAIR:** 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 adjourn and will resume the hearing at 3.15 p.m. with the Minister for Transport and Minister for Main Roads. Thank you.

Sitting suspended from 2.38 p.m. to 3.15 p.m.

**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 Freight)

Ms C. Brunjes, Director (Finance)

Mr T. Kursius, Executive Director (Land Transport and Safety)

**Queensland Rail**

Mr B. Scheuber, Chief Executive

**Department of Main Roads**

Mr S. Golding, Director-General

Mr D. Muir, Deputy Director-General

Mr N. Doyle, General Manager Strategic Policy and Development

Ms D. Anderson, General Manager Corporate Services

Ms K. Peut, Executive Director Roads Programs

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**The CHAIR:** On behalf of the committee, welcome ladies and gentlemen to our hearing. I am Andrew McNamara, the member for Hervey Bay and chair of the committee. My fellow committee members are: Vaughan Johnson, the member for Gregory and deputy chair; Desley Boyle, the member for Cairns; Don Livingstone, the member for Ipswich West; Trevor Strong, the member for Burnett; Ray Hopper, the member for Darling Downs; and Peter Wellington, the member for Nicklin.

The next portfolio to be examined relates to the Minister for Transport and Minister for Main Roads. 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 of the time for questions is allotted to non-government members. Government members and non-government members of the committee will take turns at asking questions in blocks lasting approximately 20 minutes.

In relation to media coverage of today's hearing, the committee has resolved that video coverage is allowed 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 the parliament may be admitted or excluded from the hearing at the pleasure of the committee. If anyone attending today has a mobile phone or pager, please switch it off while in the chamber so as not to disrupt the proceedings.

The time allotted to the portfolios of Transport and Main Roads is three and a half hours, with a break between 5.15 p.m. and 5.45 p.m. The examination will begin with Queensland Rail, then the Department of Transport, then other GOCs. 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:** Thanks. At the outset, I will introduce the people I have with me: my Director-General, Queensland Transport, Bruce Wilson; Helen Stehbens, Executive Director, Rail, Ports and Freight; Cathy Brunjes, Director of Finance; Bob Scheuber, whom most of you would

know, CEO of QR; and Dan Hunt, Deputy Director-General of Queensland Transport. A number of other people obviously are here to assist.

The Beattie government's 2002-03 state budget delivered a \$3.57 billion Transport and Main Roads budget, up from \$3.393 billion last year. I note this increase because it comes at a time when the federal government is preparing to walk away from its responsibilities to fully fund national highways, starting with a \$60 million budget cut for national highways in the 2002-03 financial year and \$78 million overall for Queensland, state and local government roads. This significant cut to the state and local road funding in Queensland and the federal government's plan to review the existing 1991 roads agreement clearly signals a move by the Commonwealth away from any cooperative model which would achieve national transport outcomes. Despite this, the 2002-03 Queensland budget funding will enable the Transport portfolio to deliver on a number of significant projects and continue to build on the gains achieved through projects completed or started last financial year. In particular, funding to progress the integration of bus, train and ferry services covering an area north to Noosa, south to Coolangatta and west to Helidon using state-of-the-art smart card technology will ensure that public transport is fast, efficient and accessible. This funding will come from Queensland Transport's overall operating budget, which totals \$1.34 billion this financial year.

An increase in Queensland's commitment to the Tugun bypass, up from \$55 million to \$120 million, to complete planning and enable the construction to start subject to the federal government living up to its side of the bargain forms part of Main Roads \$2.13 billion operating budget for the year, which includes \$1.1 billion for roadworks and operations. In direct comparison with the federal road cuts, the state government will spend \$37 million more on state and local government roads in 2002-03. The portfolio funding reflects the Beattie government's commitment to jobs growth, regional development, improved roads and improved public transport facilities and services right across the state. With the committee's concurrence, I intend to make some comments specifically about Queensland Transport and then to make a few introductory remarks at the start of the Main Roads session, as well.

As announced by the Premier and myself on 10 June, realisation of the integrated ticketing project will revolutionise public transport in south-east Queensland. The advances in the integrated ticketing project follow on from the success of the South East Busway, which has given many commuters a taste of things to come in integrated public transport in Queensland. In April commuters helped mark the first anniversary of the busway. The overall success of the project to date is demonstrated by a patronage increase of more than 48 per cent on core services. The busway system will be further enhanced with \$17 million allocated in this budget for continued construction of the Springwood bus station, \$15 million for the upgrade of the Cultural Centre bus station and \$52 million for construction of sections 3 and 5 of the Inner Northern Busway from Roma Street to Gilchrist Avenue.

Queensland Transport continues to have a strong commitment to developing the regions, with funding commitments including \$100 million for upgrading the Rockhampton to Townsville rail line and a further \$9 million to complete the manufacture of the new Cairns tilt trains; \$42 million for the Cityport development in Cairns; and \$44 million for the expansion of the R. G. Tanna coal terminal in Gladstone. That \$44 million for Gladstone is part of another record year of capital works spending at Queensland's ports at \$243.7 million and reflects this government's commitment to developing the port network to meet the future needs of our important export industries.

A key initiative for Queensland Transport this year is the establishment of Maritime Safety Queensland with the core goal to provide safer boating and waterways in Queensland. This role is supported by capital outlays in the 2002-03 budget to undertake dredging works at Port Douglas, Cabbage Tree Creek, One Mile and North Stradbroke Island boat harbours, complementing the government's election commitment for a dredge material basin at the Urangan boat harbour.

The budget includes \$2 million for upgrades to rural and remote airstrips, including Boigu Island and Karumba as well as a number of smaller airstrips. It also includes \$6 million in subsidies for air services and long distance bus services to rural and remote Queensland—services which, as we saw through the collapse of Flight West and then Ansett, would be under serious threat if it was not for the Queensland government's financial support. Better transport for Queensland also means safer transport on the roads and on public transport and in particular school transport. I can go through the school bus safety initiatives later, perhaps.

If I could just make one point to the committee—in answer to question on notice No. 20 from government members re the automatic identification system for ships, the question actually said

that the starting date for the implementation of this new system was 1 July 2003. That was an error. It should have read 1 July 2002. So we are actually starting it this year, not next year.

**The CHAIR:** Thank you, Minister. The first round of questions will be from the non-government members.

**Mr JOHNSON:** My colleague the member for Nicklin wants to ask questions in the Transport issue, Minister. I will ask one and then he will ask the next until his are exhausted.

**Mr BREDHAUER:** Fine by me.

**Mr JOHNSON:** Minister, I refer to the whole-of-government priorities linked to the rail output on page 1-6 of the MPS, the first of which is more jobs for Queensland. I also refer to the farcical news update, which I now table, issued by the chief executive of Queensland Rail last Friday headed 'New voluntary redundancy policy' which advises that a new round of redundancies within Queensland Rail commenced on Monday of this week. Minister, how can this be a voluntary redundancy policy when in bold printing on the second point of the notice it says that employees cannot apply for voluntary redundancy? Isn't this like saying, 'We need some volunteers, but it will not be you and you.'? Minister, how many jobs have been targeted in this targeted redundancy policy, where are these positions located, and will the positions vacated as a result of this policy be refilled?

**Mr BREDHAUER:** If I can answer your last question first, the answer is no. Obviously, when you are having a voluntary redundancy program—as you would know from your time as the Minister for Transport—the intention is to generate greater efficiencies in the organisation, and you only offer voluntary redundancies in those cases where you can demonstrate that the work that had previously been done by the person who is being offered a voluntary redundancy is no longer required. So you do not then go and replace that person if you have demonstrated that, through workplace reform, retraining and achieving efficiencies through capital investment and that kind of thing, that person's responsibilities are no longer required.

The reality is that in the process of negotiating the enterprise agreement with rail unions late last year there was an agreement between the unions and QR to progress the possibility of a voluntary retirement program as part of the enterprise agreement. There has been a voluntary redundancy scheme in place in QR in a variety of forms for about 10 years, including in your time as minister. It has been a management tool, I guess, for QR to be able to manage work force issues as we have gone through substantial investment in upgrading our infrastructure, rolling stock and track, and that has had work force implications. Of course, you would be particularly aware of this, because the statements of corporate intent which were signed off by you as the Minister for Transport indicated that progressively we would reduce QR's work force to around 12,000. The QR work force is currently sitting at around 13,000. We do not have a particular target in mind, because we are trying to give ourselves the capacity to look at workplace design and work force reform and then to manage a voluntary retirement system.

In terms of workers not being able to apply, it is important that people understand that the process is not about a particular QR worker sticking up his hand and saying, 'I want to go.' It is actually about our making a determination about whether you can continue to gainfully employ a particular person in that spot and then offer them a voluntary redundancy. In fact, the unions insist that we not have a system where you open it up to individual employees to apply for voluntary retirements but that in fact where an assessment of the work requirements in a particular area indicates that there are excess employees over the availability, you can offer a redundancy; but the policy, as always, is that there will be no forced redundancies and no forced relocations.

**Mr JOHNSON:** Minister, the one point I did make there is: where are these positions located? The point I am coming to there—and I am very open about this, and I know it is something that is probably close to your heart, too—is the situation of maintenance crews right throughout the Queensland Rail network. I am talking about specialist gangs on the coal lines, especially in the Wet Tropics regions. Are those areas going to be targeted, or not? Because they are specialist people, it is absolutely paramount that we have full retention of those crews in question.

**Mr BREDHAUER:** They are not being targeted, but I would suggest to you that there is the capacity for redundancies across the organisation in QR including, I have to say, in the maintenance area. But you need to understand why that is the case. It is because we have invested so much in upgrading the track throughout the state. Over the last 10 years QR has spent around \$7 billion on capital investment in infrastructure, upgrading our workshops and

rolling stock and in track upgrades. An enormous amount of money has been spent and is continuing to be spent on the northern line and on our coal lines, on the Townsville to Mount Isa line and on various other lines which are outlined in the budget documents.

As we are upgrading the northern line—and you know that we are currently about halfway through a \$340 million program to upgrade the line between Rockhampton and Cairns—we have given a commitment to use some of the rail that we replaced there with heavier rail, for example, and use some of that replaced rail to upgrade some of our western lines. But in the process of upgrading the lines you actually reduce the requirement for maintenance on those lines. Because you have invested \$350 million on upgrading the line, you do not require as many maintenance workers to keep the lines in a safe, operational condition.

I should say first and foremost that our priority is always safety, and at no time will any decisions be taken while I am the minister that compromise safety. We have pressure on us though, for example, from the Queensland Competition Authority which, in the process of doing the Access undertaking, identified that it thought that there should be a reduction in our maintenance costs of 30 per cent. I do not believe we can make those kinds of savings without compromising safety, and I have made my view very well known that I will not countenance anything that compromises safety. We are using things like concrete sleepers now instead of timber sleepers. We are using heavier gauge steel rail as we upgrade the line. The reality is that once those capital upgrades have been completed then the labour requirements for maintenance on those services are likely to decline to some extent. So we would anticipate that there may be some workers who are surplus to requirements in the maintenance area, but I reiterate that under no circumstances would we do anything that compromised the safety of the network.

**Mr WELLINGTON:** Recently we have heard reports of a number of serious train accidents around the world. I understand that a number of these train accidents involved human error. What are you and your department doing to ensure that Queensland Rail management's drive for improved efficiencies does not jeopardise the safety of Queensland Rail workers and rail passengers?

**Mr BREDHAUER:** I think that is an important issue. I have to say at the outset that the system we have in Queensland basically has Queensland Transport as the rail safety regulator. So in addition to the responsibilities QR obviously accepts for the safety of its workers, Queensland Transport operates as the rail safety regulator for the rail network here in Queensland.

We obviously have a very strong focus. I mentioned the access undertaking we have negotiated with the Queensland Competition Authority. Rail safety issues were a very high priority for us there. Queensland Rail operates arguably the safest railway network in the country. In fact, other states are looking at the safety mechanisms we have in place. Through regular upgrading of the training of our employees we continue to refocus people's attention on rail safety. Through our investment in upgrade of our rolling stock, our track and other things we have a very strong focus on rail safety. We also have a very strong focus on safety for passengers, for example on our Citytrain network. We have undertaken a number of initiatives there.

There have been no passenger deaths as a result of train operations since rail safety accreditation in 1997. There have been no employee deaths as a result of train operations since accreditation in 1997. Employee injury rates have reduced over the last decade by approximately 10 per cent per year. Level crossing accident rates have halved in the last six years. That gives you a bit of an idea, I guess, of how seriously we take those safety issues.

**Mr JOHNSON:** Minister, I refer to your response to opposition question on notice No. 3 in relation to the Brisbane-Cairns 'sit up all the way' tilt train. When Labor launched this project there was to be a transit time between Brisbane and Cairns of 20 hours—I table the Premier's document in relation to that—it would do six trips a week and would cost one-third of an airline ticket. Why is it, four years and millions of dollars later, that you cannot tell the people of Queensland the most basic of details, including where the train will stop and how much it will cost? How many stops were anticipated for you to calculate that the transit time would be 6.5 hours slower than promised in 1998?

**Mr BREDHAUER:** We do not plan to tell the people of Queensland that; we plan to go out and consult them about those issues. I gave a commitment at last year's estimates hearing that we would consult with people over things such as the fare structure and the stopping pattern for the train. We have some preliminary ideas on the fare structure and stopping pattern for the train, but I have given a commitment that we will go out to the community and consult with them on

those issues to make sure that we are, as far as we are capable, meeting the needs of regional and rural Queensland.

The Brisbane-Rockhampton tilt trains have been a fantastic success. We carried our one-millionth passenger in March of this year, in just a couple of years of tilt train operation. Our daily return service to Bundaberg is an incredibly popular service with the people of Bundaberg, as the member for Burnett knows. It is popular not just in Bundaberg, obviously, but also with people in the whole district there, including Hervey Bay, I would suggest.

So we have told people that we will consult with them. That process is very close to being kicked off by me as minister, in consultation with QR. We have been through all of the issues at past estimates committees. To be honest with you, I am a little surprised, when people between Brisbane and Cairns are excited about the prospect of the start of the new diesel tilt train services in the first half of 2003—they are looking for the regional economic boost that will come from that; we estimate the contribution to the Rockhampton economy from the operations of the tilt train are a boost of almost \$4 million per annum—that you and the opposition keep—

**Mr JOHNSON:** People are asking the question, though Minister. I am not being sarcastic about that.

**Mr BREDHAUER:** I am not suggesting that you are being sarcastic. I just think that you persistently harp on this issue in a negative way.

**Mr JOHNSON:** I am not being negative. I find that remark offensive.

**Mr BREDHAUER:** Okay. Everybody else is out there, having entered into the spirit of this, looking for the benefits that will come from it. I have said to you that we will have a consultation process with the local community about the stopping patterns for the train. Obviously there will be some limitations on how much we can accommodate through that process, but I have said that I will not unilaterally make the decisions. We will go out and have a discussion with people about it. That is what we are about to do.

**Mr WELLINGTON:** Minister, I refer you to the rail corridor safety fencing program to be funded in this year's budget. I use this opportunity to direct your focus to a local issue in my community. I understand that a pedestrian bridge over the railway line is planned for Palmwoods in the 10-year forward plan. Notwithstanding this, the Palmwoods community has a real present ongoing need for the construction of a safety fence between the Palmwoods town community and the railway station. I understand that discussions with departmental officers have been ongoing for some time in an attempt to finalise the request for a safety fence and the ancillary lease to the Maroochy Shire Council. Are you able to assist?

**Mr BREDHAUER:** I am aware of the Palmwoods issue. I think it has been further highlighted by the local community trying to establish some markets in proximity to that area. Obviously if the markets are established then that may well affect the safety issues in relation to the fencing of the rail corridor in that area. I have been briefed on that issue and I am aware of your concerns in particular.

We have done an analysis of the safety issues and the need for fencing pretty much across the network. We are now in the process of finalising that analysis. That leads to the development of a matrix which will show us where the priorities are. We do have a budget allocation which we can use for safety fencing of various parts of the rail corridor, but the budget is over a number of years. Obviously we need to address the highest priorities first in terms of where we assess the safety issues are the most significant.

We will finalise that and we will determine the priorities for places such as Palmwoods. It may be, though, because of the particular circumstances of the desire to establish the markets there, that if that goes ahead that could change the priority. Certainly I would be keen that we do whatever we can to improve safety for people in the Palmwoods area. I know that you have made those representations genuinely on behalf of the constituents. If the council is to approve the markets, though, we might actually talk to it about whether there is some way it can assist us or make a contribution. I will only say that we would go and talk to it about that if the approval of the markets significantly affected QR's assessed priority.

I suggest to you that I will ask QR to look at those issues in particular and at whether that materially affects the priority for Palmwoods. If it does, and if safety issues are seen to be of a higher priority as a result of that, then I would expect QR to respond accordingly.

**Mr WELLINGTON:** I certainly see the safety issue as a priority and the markets as the ancillary that would follow on as a community benefit. I do not believe we should wait 10 years for

an overhead bridge for pedestrian crossing, because I understand it would then require lifts and that will be an astronomical expense. But there certainly is a need.

**Mr BREDHAUER:** I am happy to look at that.

**Mr JOHNSON:** Minister, I refer to the network access rail project CS83 and to the \$369 million being spent on the track upgrade from Rockhampton to Cairns. Does this figure include the \$83 million TLM relay project that was in last year's statement and had post-2002 allocations of almost \$30 million? Can you inform the committee what the government has spent on the rail track between Townsville and Cairns since 1998? Can you specifically advise whether any bridges or trackside facilities had to be realigned to cater for the increased swept path of the tilt train because they would not have been realigned for any other traffic? If so, how much?

**Mr BREDHAUER:** The answer to the last part of that question is no. The work between Townsville and Cairns is basically along the existing alignment. I anticipate that running speeds for the tilt train between Townsville and Cairns will be affected because of that, but that has been taken into account in the information we have provided to people about the interval time for the trip between Brisbane and Cairns. Essentially, the track upgrade between Rockhampton and Townsville is justified by QR on commercial grounds because of the freight that is carried between Townsville and Brisbane on the northern line, which is obviously augmented by stuff that goes to and comes from Mount Isa. The upgrade of the existing track between Townsville and Cairns is designed to improve flood immunity and a few other things.

The budget for the track upgrade between Townsville and Cairns was provided by the state government because it could not be justified on a commercial basis by QR. The balance of the upgrade, between Townsville and Rockhampton, was a commercial decision by QR to invest in the upgrade of that section of the track. It is not related to the tilt train project. The decision was taken because it will allow freight trains to operate at up to 100 kilometres per hour all the way to Townsville and service the commercial requirements of QR in that sense.

The track upgrade north of Townsville is on the existing alignment. There have not been any major changes to curves or anything like that to accommodate the tilt train. As a result of that I do expect there will be slightly slower operational speeds for the tilt train north of Townsville.

**Mr JOHNSON:** In that wet tropical area?

**Mr BREDHAUER:** Yes. There will be slower operational speeds, but that has been taken into account in the 26 and a half hours we have publicly advertised.

**The CHAIR:** The time for questions from non-government members has expired. Page 1-4 of the Ministerial Portfolio Statement states that an appropriate investment in services and infrastructure will enhance the efficiency and effectiveness of Queensland's rail system, thereby also supporting the government's priority of building Queensland's regions. To this end, what percentage of the rail capital works budget is being spent in regional and rural Queensland? How is it being spent?

**Mr BREDHAUER:** The Transport portfolio is a major contributor to the government's priorities, particularly the priority of building Queensland's regions. Transport and road infrastructure in regional areas—through rail, through ports, through transport generally and through roads—is a major contributor to economic development, employment generation and employment security in regional areas. In 2002-03 QR will invest \$480 million in rail capital works throughout the state. Of this, \$248.3 million—52 per cent—will be spent outside of the Brisbane and Moreton regions. More than half of the rail capital budget is being spent outside of south-east Queensland.

The major rail capital expenditures in regional and rural areas in 2002-03 will include \$100 million towards the \$369 million Rockhampton-Cairns track upgrade project, which involves rail and sleeper replacement, floodproofing, curve easing and formation works, subject to the information I have already provided for the committee; \$13.4 million towards re-railing the track between Miles and Muckadilla; \$12.7 million towards the construction of a new passenger station at Townsville, which is due to open in the middle of next year; \$9 million towards the continuing manufacture in Maryborough of the two new diesel powered tilt trains; \$7.5 million to complete the 260 VSA coal wagons in Townsville; \$6.5 million to complete contract finalisation works associated with the 30 additional three-car SMU passenger trains in Maryborough—all of those units have been delivered, but this is finalisation of the contract; modification of Citytrain passenger trains to comply with the Disability Discrimination Act; replacement of some timber bridges; and a number of other bits and pieces, including this year's contribution towards the finalisation of the KOJX cattle wagon project in Townsville.

Essentially, Main Roads is a major contributor to the state government's objectives of building Queensland's regions. Right across the state throughout the rail network investment is being undertaken by QR on behalf of the state government, which makes a major contribution to industry. It provides services to passengers on the Traveltrain and Citytrain network, but, most importantly, it provides jobs—and not just jobs for QR workers but we regularly source a lot of our supplies locally from suppliers in local towns. So that generates economy and employment in a spin-off effect for the local communities in addition to our direct employment through QR.

**Mr LIVINGSTONE:** My first question relates to people with disabilities. Page 1-5 of the MPS notes that your aim is to 'improve the lives of Queenslanders by connecting them with each other and to opportunities by removing the barriers of access and mobility.' What is the Beattie government doing towards improving the accessibility of the Citytrain passenger rail service?

**Mr BREDHAUER:** I thank the honourable member for Ipswich West for that question. It is very important for him, I know, because in Ipswich there are a number of facilities that provide particular services for people with a disability and he is particularly attuned to those requirements. The state government announced in the 1999-2000 state budget that the government had approved initial expenditure of \$46.8 million over seven years for the Citytrain disability access compliance project. Spending in 2002-03 is anticipated to be \$7.2 million. This project allows QR to begin modifying its stations and trains in order to satisfy the requirements of the draft disability standards for accessible public transport. We expect to achieve full compliance with the draft standard within the required 25-year time frame.

The selection of accessibility and improvement works is done on the basis of relevant priority, that is, selection is based on a priority list that considers criteria such as station patronage; proximity to social infrastructure, including schools and hospitals, nearby commercial and retail venues; and future patronage growth prospects. The scope of works being undertaken at stations includes the installation of lifts, footbridges, upgrades to ramps, and the provision of additional features such as accessible toilets, improved passenger information systems and braille trails to core areas.

The modifications to the trains depend on the age of the train with more money spent to alter the newer trains than the older ones in recognition of the longer remaining useful life and the higher use of the newer fleet. These modifications include additional allocated spaces for wheelchairs, passenger information displays, the use of contrasting colours on doors and interior fittings, audible door alarms, flashing light indicators and ensuring that existing toilet facilities meet the accessibility guidelines. Progress to date includes the installation of lifts at the Manly, Woodridge, Caboolture and Nundah stations. Currently we are installing lifts at South Bank, Kingston, Beenleigh, Carseldine and Oxley. Design work is being completed for the installation of lifts at the Bowen Hills and Milton stations and design is under way for the Mitchelton and Darra stations.

The other point that I make is that this is Disability Access Week. Queensland Transport and QR take our responsibilities to improving access to our network and services for people with a disability, but not just for people with a disability—older people, parents pushing prams, all of that kind of stuff; all of those people for whom access issues are a high priority—very seriously. I am pleased to say that in my time as minister significant money has been invested and a very strong focus has been adopted right across my portfolio on improving services for people for whom access is a priority.

**Mr LIVINGSTONE:** I note on page 1-34 of the Ministerial Portfolio Statements that the user satisfaction rate for the suburban rail train is estimated to have been greater than four on a scale of one to five. This indicates that passengers are very satisfied with the quality of service provided by QR on its Citytrain services, including the level of safety and security, particularly during the evening. You advised last year that an after-dark security initiative was being introduced to enhance passenger safety at night. Could you advise the current status of this initiative?

**Mr BREDHAUER:** Yes, I can. Passengers feeling safe on public transport is a really important issue if they are going to use public transport. We obviously have very high targets that we have set ourselves in terms of increasing patronage and security and safety are significant issues for people in terms of making a decision about whether they are going to use or continue to use public transport.

We have had two main projects at QR. There has been the \$39.4 million Safe Station Program, which was funded through the Citytrain transport service contract. It includes initiatives to improve passenger security, such as the installation of closed circuit TV—or CCTV

surveillance—at stations and car parks, CCTV and guard monitoring equipment on trains, station lighting upgrades, and the establishment of police rail outposts. I know that the member for Nicklin knows a lot about this, because I have been up to the Nambour station and looked at the issues there.

The program has delivered CCTV and guard monitoring to 87 per cent of passenger trains and CCTV coverage at 99 stations and car parks. Lighting upgrades are complete at 21 stations and all car park lighting upgrades are also complete. Police rail squad offices have been completed at Petrie and Manly with Redbank expected to be completed next month. In the 2001-02 financial year expenditure to the end of March was \$7.3 million with a further \$5.9 million planned for expenditure in 2002-03.

The after-dark initiative, which you specifically asked about, was an election commitment at the last election to provide an increased physical presence at stations during the evening period. The funding of \$6.9 million over five years will provide additional security staff at up to 30 stations. This will mean that 50 stations on the Citytrain network will have QR or security staff at night. The security staff will patrol platforms and car parks, meeting each arriving service and assisting passengers with their safe departure from the station. They will also watch over customers arriving at the station and awaiting a service. The latest update hot off the presses is that it is 24 stations, not 21 stations where the lighting is complete. Since I got the briefing note last week, we have done three more stations, apparently. As I say, it is a very important area. If you look at the busway, for example, safety and security are a fundamental part of the busway design, including the bus interchange design. I think that some really great work is being done there by QR and QT.

**Mr STRONG:** The MPS notes that the Queensland regional general freight train service contract was signed on 4 March this year. Could you please advise what benefits this contract provides for regional Queensland centres?

**Mr BREDHAUER:** I will. As you know, there has been some concern in regional areas about the government's commitment to the continuation of freight services, particularly in western Queensland. That is why we negotiated between Queensland Transport and QR the specific regional general freight train transport service contract. Essentially, the contract is worth \$17 million a year—that is \$34 million over two years—and it is to pay for scheduled general freight services to western and remote regional centres. The two-year regional transport services contract was drawn up to secure the efficient use of rail for the haulage of general freight into and out of regional and remote centres. The contract is about supporting communities from Emerald and Hughenden to Winton, Toowoomba to Quilpie and Cunnamulla, Goondiwindi, Dirranbandi and Cairns to Mareeba-Atherton and also to centres like Kingaroy, Stanthorpe and Monto. It is about giving practical assurances to these communities and local business interests that QR will continue to run the current level of scheduled freight train services for the next two years.

The many general rail freight train services provided by QR along the network of western rail corridors and regional branch lines accounted for approximately 180,000 tonnes of general freight in 2000-01. These general freight rail services play an important role in supporting Queensland's rural communities and local economies.

I mentioned before our government's commitment to building Queensland's regions to enable them to capitalise on their assets and resources. One way that we can achieve this objective is to secure the efficient use of rail for the haulage of general freight into and out of Queensland's regional and remote centres. The regional transport service contract gives substance to this commitment by using the state's network of western rail corridors and regional branch lines. The contract ensures the provision of scheduled general freight train services to western and rural centres of Queensland so that there is certainty in rail service delivery for each of these local communities.

I might just go back to the point that I mentioned before. In the process of upgrading the northern line between Rockhampton and Cairns, we are actually using some of the rail that we are replacing with heavier gauge, particularly between Rockhampton and Townsville, to upgrade some of these lines. So there is a downstream effect from that investment on the northern line on some of the western lines so that we can continue to provide quality rail services to those communities that are covered by the regional general freight train transport service contract.

**Ms BOYLE:** Earlier, you mentioned upgrading the Townsville passenger station. Could you update us on that project—how it is going, how much it costs, et cetera?

**Mr BREDHAUER:** Initially, we allocated a sum of about \$12 million for the upgrade of the Townsville Railway Station project, but that funding commitment did not provide for the cost of track realignment and signalling work. So in the 2000-01 budget we increased the funding allocation for the new Townsville Railway Station to \$23.82 million.

The relocation of the Townsville Railway Station was an election commitment made in 1998 to facilitate the redevelopment of the Townsville central business district—and the CBD revitalisation task force has done a lot of work and some great work in Townsville, I have to say, and this was part of that process. The state government and the Townsville City Council jointly sponsored a CBD revitalisation project that relies on the relocation of the station and the removal of the rail loop to free up railway land for further residential and commercial development.

The new station is located adjacent to the intersection of Flinders Street and Charters Towers Road at the causeway and the platform will span Ross Creek. By locating the platform on the southern side of the north coast rail line corridor with its entrance and car park off to Charters Towers Road, the project offered significant heritage and commercial redevelopment advantages. The old station, which dates back to 1910, and which has been on the Queensland Heritage Register for many years, will continue to house the QR travel centre and administration offices. The new and old stations will be linked by a ceremonial line for special occasions and celebrations associated with the railway heritage in Townsville.

A \$10.6 million contract for the construction of the new station was awarded to a local company, Total Construction Services Pty Ltd, on 16 May this year for the construction of the bridge across Ross Creek and the station building. The new Townsville station is due for commissioning in the second half of 2003. A \$2.3 million contract for bulk earthworks, the construction of the station car park and landscaping was also awarded on 16 May 2002 to Citiworks, which is a business unit of the Townsville City Council.

I might say that removing that loop is important for through Traveltrain services, including the new Brisbane to Cairns tilt train service. But primarily it was about helping us to deliver on our objectives in conjunction with the Townsville City Council to the CBD revitalisation task force in Townsville. I think that it is going to be a valuable asset for the people of Townsville. I am pleased that we can retain the old station and we will continue to use it for our Traveltrain and administration offices, which means that we will continue to do maintenance and upgrade work on that building, which is of heritage significance not just for the people of Townsville but for the people of Queensland.

**The CHAIR:** I would like to ask you a question about integrated ticketing and QT's broader strategic role. Pages 1-1 and 1-2 of the MPS set out the strategic issues facing Queensland Transport and the strategic objectives that the department is pursuing to address those issues. How do integrated ticketing and the proposed creation of a new division of Queensland Transport advance those objectives?

**Mr BREDHAUER:** I am pleased to answer this question, because integrated ticketing is a project that has been long in gestation and I will celebrate in full when the gestation period comes to its finalisation. The announcement in this year's budget that we have a funding allocation to proceed with this project will be a major benefit for public transport right across south-east Queensland, but it will have flow-on effects throughout the state. Integrated ticketing is just one part of a broader set of actions that will advance the strategic objectives of transport leadership, strong relationship systems, stewardship service delivery, and a vibrant organisation. The broader set of actions will be progressed under the banner of TransLink in south-east Queensland, which will lead the development of the fully integrated transport system in partnership with local communities and public transport operators. A partnership with a broad range of stakeholders is important.

Prior attempts at integration have failed because of competition rather than co-operation amongst the major players. To ensure that this does not occur again, I have approved the development of a unique set of governance arrangements that provide stakeholders with the opportunity to directly influence the direction and to monitor the performance of public transport. An advisory board will be established, made up of key stakeholders, to assist in that process. In addition, I have agreed with the Brisbane City Council to establish a small group comprising the chair of the transport and major projects division, Maureen Hayes, and myself to decide on and coordinate our respective funding decisions. That is in recognition of the fact that the Brisbane City Council makes a significant contribution to the operation of buses and ferries in Brisbane Transport. If other local authorities wish to fund additional services in their areas, consideration will be given to establishing similar operations for specific local government areas.

Queensland Transport, through TransLink, will be specifically tasked with taking a leading role in the planning and delivery of the public transport network in south-east Queensland through the creation of a central network plan. This plan will specify service and infrastructure requirements at key coordination and integration points, as well as on major transit corridors such as the south-eastern and northern busways, major roads and rail lines. New contracts will form the basis of the government's partnership with operators for the delivery of the full integrated transport system. TransLink will contract with operators to deliver services, with payments based on the level of service provided. Under these contracts, all fare revenue collected will be retained by the state. Operators will be responsible for delivering on-road services, maintenance, driver rostering and other services best delivered by the operators.

If the benefits of an integrated transport system are to be fully realised, it is also necessary to work closely with the local community. We will make sure that we provide a role for the local community in the development of TransLink services for south-east Queensland.

**Mr STRONG:** My question is also on the integrated ticketing, especially for the public transport services in the south-east corner. Can you outline what concessions are to be standardised and the likely impacts of concession standardisation on users?

**Mr BREDHAUER:** This is an important initiative because a key aspect of delivering the integrated ticketing is the need for common rules about eligibility for concession fares. Currently, a common core set of concessions based on Queensland government requirements are provided by all operators. Some operators, however, provide additional discounted fares. The main beneficiaries of these additional discounted fares are tertiary students travelling on Brisbane Transport and Queensland Rail, and full-time secondary students who are able to obtain a one-third fare on Queensland Rail but pay two-thirds of the full fare on bus services. Some private bus operators also provide concessions for tertiary students but at a lesser concession rate and at times with restrictions on when the concession can be used.

It is not possible to deliver an integrated ticketing system unless concessions are fully aligned. A set of concessions, based on the concessions currently provided by QR and Brisbane Transport, has been developed. These concessions provide the closest alignment with current practice and national standards for the provision of concessions. Under the proposed arrangements, every person who is eligible for a state government funded concession will now continue to be entitled to a concession in the future. In addition, full-time tertiary students will be entitled to a half fare concession on all bus, rail and ferry services. High school students will also become eligible for a half fare concession on similar services. It should also be noted that the concessions alignment will be expanded across the state. Bus operators in Townsville or Mackay or Cairns will have the same concessions eligibility criteria as bus and rail operators in Brisbane or the Gold Coast.

The alignment of concessions has been under way for some time. Recently, for example, QR services adopted the same criteria as bus operators across the state for determining when a child was eligible for a concession fare. In addition, we have recently introduced the national travel pass for people with vision impairment. This pass provides for free travel for a person with vision impairment. Previously, only Brisbane Transport gave free travel. This has now been extended across Queensland. The provision of concessions and particularly the additional concessions for many people who are users of bus services in south-east Queensland will be a major benefit that comes specifically out of the integrated ticketing project.

**The CHAIR:** That concludes this particular block of government questions. I invite opposition members to continue.

**Mr JOHNSON:** I refer to the desperately needed KOJX cattle wagons currently being built in Townsville. In this year's budget paper CS82, only \$2 million has been allocated to this project, half a million dollars less than last year, with a further \$3.1 million to be allocated in the future years. In answer to a question without notice in the parliament on 6 March this year, in addition to admitting that during your term as minister no new livestock wagons had been ordered, you indicated you were accelerating this project. In view of the services being withdrawn by QR because of a lack of rolling stock, do you call allocating less funding to this project than last year 'accelerating' the project?

**Mr BREDHAUER:** I think the important thing to realise is that it is a project to deliver 300 wagons. In excess of 200 of those wagons have been delivered already. We expect that the whole project will be completed by about August next year.

**Mr SCHEUBER:** That is correct, minister, August 2003.

**Mr BREDHAUER:** We expect the whole project to be delivered by August of next year. Basically speaking, that is as quick as the Townsville railway workshops can produce those wagons. We do have issues in terms of work force management at the Townsville workshops, as you appreciate, and one of the reasons for putting this job in Townsville was to create additional work for the Townsville railway workshops. Even if they had the capacity to bring it forward by six months, that would just mean that we would be looking for other work for Townsville to do six months earlier than we are presently. It is important to recognise that through the program, which we have remained committed to—and I have freely acknowledged in the past that it was you who initiated the project—we have actually increased QR's rail carrying capacity.

There have been issues in relation to the livestock freight, which QR and Queensland Transport are collectively working through at present. There has been consultation with the industry. I have met personally with Agforce and with the AMH. The feedback to me, basically, is that a number of the concerns which were evident some time ago we have gone some way toward alleviating it. However, you would also know that the road freight industry took us to the Queensland Competition Authority over the freighting of livestock. So, we have got pressure on us from the road livestock freighters in that regard. Notwithstanding that, I have made it quite clear that I am—and in discussions with the CEO of QR as recently as this morning, QR have indicated that they are—strongly committed to a future presence in the livestock industry.

We cannot, however, continue the ad hoc arrangements that we have had in the past where people just rang up and said 'I want X number of decks at the sale yards here and I want them next Tuesday.', and then did not use them. We have to have a more sensible arrangement. Agforce understands that, so we are trying to work with the industry to make sure that we get maximum capacity.

One of the reasons why we had significant demand was because there was an upturn in the industry around about 18 months ago. I welcome that, I think that is great news, but all of a sudden everybody wanted to rail freight their livestock. I need to point out, though, that we continue to lose money. Every cow we carry costs us money, and if we carry more cows, it costs us more money. Notwithstanding that, we are looking to be more efficient, to provide a good service and to try to make sure that we are meeting as much of the demand out there as we possibly can.

**Mr JOHNSON:** Can I just make the comment that I am a supporter of the concept—you know that.

**Mr BREDHAUER:** Yes.

**Mr JOHNSON:** You say it is costing more money, but we are certainly keeping those heavy vehicles off the roads. That is another side of the equation that you can take into account.

**Mr BREDHAUER:** Certainly.

**Mr JOHNSON:** One thing I will say—and if I could say it to Mr Scheuber too—is if you can keep the industry and the general public informed of any developments, I would greatly appreciate it.

**Mr BREDHAUER:** I set up a separate process where the department, in addition to the work that is being done by the livestock consultative committee with QR, was out talking to industry as well.

**Mr JOHNSON:** Has any provision been made for the minister to keep his promise to relocate the Townsville South rail yards, or is this another one of the government's policies that we will not see delivered? What is the minister's policy on the Townsville South rail yards?

**Mr BREDHAUER:** For the fifth year in a row I will give the same answer.

**Mr JOHNSON:** I just want to get this set in granite.

**Mr BREDHAUER:** If we went back to the *Hansard* of 12 months ago I could give the exact words. If we went to the *Hansard* of 24 months ago I could give the exact words. No, we are not planning to relocate the Townsville South yards. I said that last year. There was a suggestion at one stage that we might be able to develop a centre for engineering excellence at Stuart and that we might be able to relocate the Townsville South yards to Stuart as part of that process. I have said to representatives of the unions who have members at the Townsville South yards that one reason why we will not do that is that, apart from the significant additional capital cost that would be involved in relocating all of those people to Stuart, we would probably put about two-thirds of them out of work. If we had all new gear in a completely new environment, we would not be able to find work for about two-thirds of the people at the Townsville South railway workshops.

A significant investment in the Townsville South workshops is something else that has been put into those workshops as they stand at present. Fifteen years ago the working conditions at Townsville South were Dickensian, to be honest. A lot of money has been invested there. We have a working environment there that is vastly improved on what it was. We also have work which we are allocating to the Townsville workshops, namely, the KOJX wagons we talked about; the refurbishment of the airconditioned carriages at a cost of about \$3.6 million; the rebuild of the Kuranda carriages at \$4 million; the Kuranda carriages safety upgrade at another \$4.2 million; and other work such as that which we are doing at Townsville South. I will table for the information of the committee the answer I gave to this question last year. We are not—

**Mr JOHNSON:** I just wanted to make sure the minister is still on line!

**Mr BREDHAUER:** I told the member the truth last year and I am still telling the truth this year. The short answer is that, no, we are not planning to relocate the Townsville South workshops.

**Mr WELLINGTON:** The rail-bus service linking Nambour to Caboolture is a success. I echo the minister's comments about it being wheelchair friendly. What work does the department plan to undertake on the upgrade of the duplication of this section of the rail line this year?

**Mr BREDHAUER:** Probably the most important work we have on duplication is in the Landsborough area. I know that that is a bit south of the area the member is talking about, but we have a study on a realignment of that stretch of track which is a preliminary requirement to track duplication in that area. In December 2001 we commenced the Caboolture to Landsborough rail upgrade study. As the member knows—because we have had regular conversations and correspondence about this issue—track capacity between Nambour and further south is an encumbrance to increasing Citytrain services into Nambour.

Earlier this year we finished the work in the Pine Rivers area. We are continuing to invest money in upgrading the capacity of the track through track duplication as we progress north—and in this case triplication. We also have this study under way between Caboolture and Landsborough that will give us a solution to the track alignment issues there. That will enable us to make future investment decisions about upgrading the track. There is no specific budget allocation for upgrading the track, but this study is quite substantial. There is quite a bit of investment there. If the study was launched in December last year, it will take us about another 12 months to finish it. The study will cost about \$1 million. There are some quite significant issues there, including impacts on private properties, environmentally sensitive areas, et cetera that we are working through.

**Mr JOHNSON:** The opposition does not have any more questions for Queensland Rail.

**Mr BREDHAUER:** That is fine. Chair, with your concurrence, I thank Bob and the people from QR. If there are any questions that come up later, we will answer them or take them on notice.

**Mr JOHNSON:** I refer to the public education campaigns referred to on page 1-19 of the MPS and to the minister's answer to my question on notice No. 1 in which the minister refused to provide full details of promotional, public awareness and advertising campaigns. Did any of the campaigns, including the \$4 million of publicity the minister has detailed, involve any work by Cutting Edge Post Pty Ltd, which has received a number of grants from the Beattie government and which produced the Labor electoral ads at the last election? If so, how many, what was the cost and what process was used to award this work?

**Mr BREDHAUER:** The short answer to the question is no. We have not directly contracted with Cutting Edge to provide services to QT. The question asked by the opposition through that question on notice was incredibly broad in the context of all the advertising and promotional campaigns that we do, most of which, as the member knows, are related to road safety issues. It was difficult for us to provide all of the information that the member required without devoting significant resources to it. We tried to give the member a flavour of the kind of things that we included. I reiterate that, as with all the road safety material, in the member's time as minister and in my time as minister there was no promotion of ministers or anyone else in that process. We do not as a rule use photos of ministers, premiers or anyone like that. In respect of Cutting Edge, my advice from the department is that we have had very limited direct dealings with Cutting Edge. However, in March 2001 QT contracted Goprint to provide video images of the South East Busway for the department's Internet site. The total value of that work was \$12,980. I understand that some of that work went to Cutting Edge. Most of our advertising and media services work is done through our standing offer arrangement with BCM, a totally separate company. I understand that BCM may have independently of Queensland Transport subcontracted Cutting Edge to do some work. Queensland Transport was in the process of filming three commercials.

Work was organised through BCM and the Australian Film Company. Cutting Edge did some post-production work in that context. It got about \$17,000 for that work, but I stress that Queensland Transport had nothing to do with engaging Cutting Edge under those circumstances. Our standing offer arrangement is with BCM, and it asked Cutting Edge to do that work for them.

**Mr WELLINGTON:** I refer the minister to question on notice No. 8, which sought the minister's support for the removal of the traffic improvement fee for antique and historical vehicles in Queensland. I note in the minister's response that he advised that he was sympathetic to this request and had asked Queensland Transport to investigate options. When does the minister anticipate that he will be in a position to make a decision on this request?

**Mr BREDHAUER:** I hope to make the decision fairly quickly. One of the complications is that the current definition of an antique vehicle is that it is 30 years old. We actually have people who drive up and down our streets every day in 30-year-old vehicles that are not antique or special. They are old Holden Kingswoods and those sorts of vehicles, which are not actually antique. They are vehicles that are being used for daily commuting and driving purposes. I do not think the intention of the people who have made representations to the member is that people who are just average motorists in older motor cars be exempted from the traffic improvement fee. It is actually for those people who have the old 50 or 60-year-old Fords and fancy cars and who bring them out on special days for the local school fete, some charity group, et cetera. We need to work out whether we need a better definition of what the antique or special vehicle category includes. There will be a little bit of work involved in that. There are over 7,000 vehicles that fit into the older than 30 year category, but only a fairly small number of those are the vehicles to which the member is referring. If we can find a mechanism that can separate those out and find a way of dealing with that, I am sympathetic to the request. I have asked the department to try to progress that fairly quickly.

**Mr WELLINGTON:** The minister is accurate. I am not intending to cover vehicles that are on the road seven days a week. It is a specific group that are specifically called on for Anzac Day and other such days.

**Mr BREDHAUER:** I appreciate that. Perhaps we need to look more closely at the definition and to redefine the category of vehicle, or it might be that we say, "You can have the concession providing you are not using your vehicle for more than incidental purposes", or something like that. When we can work through these issues, we will make a decision.

**Mr WELLINGTON:** Many of them are members of historical associations. I will leave that to the minister.

**Mr BREDHAUER:** I am sympathetic to this, as I said in the answer to the question on notice. We will see what we can work out.

**Mr JOHNSON:** With reference to the last question I asked about Cutting Edge, will the minister give details of the cost of all direct and indirect work undertaken by Cutting Edge for Queensland Transport?

**Mr BREDHAUER:** I can say what is in the advice I have. Cutting Edge has not been engaged by us directly. There was some work in 2001, which was indirect, where I understand that it got about \$2,000 worth of work as a subcontract. I understand that it got about \$119,000 through a subcontract from BCM from January 2001 to May 2002 for post-production work on road safety campaigns. I stress again that it had nothing to do with Queensland Transport. I also understand that it got about \$17,000 for work—which is the previous one to which I referred—where we had a contract with BCM and it got Cutting Edge to do some post-production work. That is the advice I have, which I provide to the member in good faith.

**Mr JOHNSON:** I refer to an answer to opposition question on notice No. 4 and to recent media reports claiming concern that motorcyclists are being overrepresented in accidents because they are not subject to enforcement of speed cameras. Will the minister explain why part of the criteria regarding the use of these cameras does not stipulate rear detection in areas where these speeds or accidents are being encountered? Is it not true that all the existing cameras can be used in this mode? Is it because there is a concern that front protection provides increased revenue because there is more time for a camera doing rear detection to observe?

**Mr BREDHAUER:** The answer to the last question is no. Speed cameras are located on the basis of the determination of sites. The guidelines for operation and the distribution of funds are still as they were when the member when he was minister set it up and introduced them. Since we have been in government we have not changed the basic parameters which the member put in place as the minister to ensure that speed cameras were being used for road safety purposes

and not for revenue raising purposes. All of those are still essentially the same. I will ask Tony Kursius, Executive Director of Land Transport and Safety with Queensland Transport, to provide an answer. Operationally, why do we do it one way and not the other?

**Mr KURSIUS:** The cameras are actually deployed both ways. In some settings they are deployed to take the vehicle as it approaches and at other times as it departs. A lot of the time it has to do with the workplace health and safety issues of the particular site. The operational issues are really up to the Queensland Police Service to determine. The deployment of the cameras is a part of their training and they deploy them as per location and approaches and departures from those sites.

**Mr BREDHAUER:** I do not know whether there are any other questions about speed cameras, but we have always had a bipartisan approach to road safety.

**Mr JOHNSON:** You're the most hated bloke in Queensland because of them.

**Mr BREDHAUER:** I know. I love you, Vaughan, because you introduced them. The year you introduced them road deaths in Queensland went down by 100. We saved 100 lives the year the member for Gregory introduced them. We believe that that benefit is still flowing on. There are issues about site learning. There are issues about various other matters. But we use speed cameras for road safety reasons and road safety reasons alone.

**Mr JOHNSON:** Black spot areas is one of the reasons.

**Mr BREDHAUER:** That is right. That governs the guidelines which the member put in place and which we still assiduously endorse and employ. I say to all these people who complain about revenue raising that if they do not speed they do not get caught. If they do not break the speed limit, they do not get fined. Speeding is a contributor to a significant number of road accidents and road fatalities every year. Twenty years ago people drank booze, got in their car and caused accidents. We have now educated the community to the point where it is socially unacceptable to drink and drive. We must get to the same point with speeding. People have to understand that it is socially unacceptable to speed while they are driving and that there is no safe limit by which they can exceed the speed limit. I know people who have cruise controls on their car that they automatically set at 10 or 15 kilometres an hour above the allowable limit because they think that is the safe speed at which they can exceed the speed limit. It is not true. There is no safe speeding limit above the appointed speed.

**The CHAIR:** That concludes that block of opposition questions.

**Ms BOYLE:** I have a question relating to the Great Barrier Reef. I refer to the recent review of Great Barrier Reef ship safety and pollution prevention measures endorsed, apparently, by the Commonwealth Minister for Transport and Regional Services, John Anderson. What were the findings of the review with respect to compulsory pilotage requirements in the Great Barrier Reef and, further, how will pilotage reduce the risk of marine incidents?

**Mr BREDHAUER:** This is a very important issue, because we all remember—you in particular—the *Bunga Teratai Satu* going aground off the coast of Cairns on Sudbury Reef. A review was established by the Commonwealth minister at that time. I asked the minister to include the Torres Strait in the review, because of my knowledge as the local member of the significance there. It was the most comprehensive and in-depth review of shipping operations ever undertaken within the Great Barrier Reef. Queensland Transport was represented on the review steering committee along with senior officers from the Australian Maritime Safety Authority, the Great Barrier Reef Marine Park Authority and the Commonwealth Department of Transport and Regional Services. The Deputy Prime Minister, John Anderson, has recently endorsed the findings and 41 recommendations from the review.

Importantly, the consideration of compulsory pilotage was a key term of reference for the review. The review steering committee carefully considered initiatives that will improve the safety of shipping operators and environmental protection within the Great Barrier Reef and Torres Strait. I hasten to add that Queensland argued successfully for the Torres Strait to be included. Queensland's position on this matter was vindicated as the review recognised the Torres Strait as sharing equal environment and heritage values with the Great Barrier Reef and is similarly vulnerable to a shipping incident. The review found conclusively that pilotage does enhance the safety of a vessel when navigating in confined waters, but it does not eliminate completely the risk of an incident occurring. The demand for accurate navigation is required in certain areas of the Great Barrier Reef and Torres Strait.

There is strong support for the introduction of compulsory pilotage in the Torres Strait. Currently, pilotage is only recommended by the International Maritime Organisation within the Torres Strait. Implementing compulsory pilotage through the Torres Strait poses complex questions of international law and foreign relations due to the area's status as an international strait. Nevertheless, I am pleased to see that the review recommends a sustained effort be made through the IMO to elevate the Torres Strait to compulsory pilotage.

The review noted that the navigational difficulty is greater north of Cairns, where the existing compulsory pilotage area exists. Navigation is less difficult south of Cairns. However, following the grounding of the *Bunga Teratai Satu*, the review recommends extending compulsory pilotage south some 60 nautical miles to a point offshore from Mourilyan. There were compelling reasons to bolster protective measures for this area.

Compulsory pilotage has also been extended to the Whitsunday islands, and this will reduce the risk of marine incidents for this pristine area. The government strongly supports the findings and recommendations of the review of the Great Barrier Reef ship safety and pollution prevention measures. The government has continued, and will continue, to commit significant resources to assist with delivering the outcomes from the review. I draw your attention also to the answer to the question on notice about the automatic identification system.

**The CHAIR:** Minister, I would like to ask you a question about digital driver licensing—an issue that raises a surprising amount of debate around the McNamara household kitchen table, as you might recall. I warn you that my wife, Judith, will be reading your answer closely. I refer you in particular to pages 1-2, 1-3 and 1-4 of the Ministerial Portfolio Statements, which identify Queensland Transport's proposals to upgrade the state driver licence using new technology. Could you advise the committee on how this initiative will contribute to the Smart State agenda?

**Mr BREDHAUER:** For the information of the committee, I have brought with me some possible examples of what a smart card drivers licence might look like. There is one that has a photo, address and all of the details. There is one that has the address stored electronically and there is another one that has other features stored electronically. I will not table it, but I will leave it for the information of committee members. The current driver licence has been in use for over 15 years. The equipment used to produce the current product needs replacing and there are increasing difficulties in protecting the licence against forgery and tampering. The security and integrity of the drivers licence is the basis for it being trusted evidence of authority to drive. It is timely for the government to act to protect that trust.

Queensland Transport is researching the possibilities for a proposed new drivers licence to have features including a digital photo and a computer chip to store licensing information. A smart chip is more difficult to forge or alter than a plastic card. It also provides a safety net that enables easy verification of the information on the face of the licence. Smart chip technology is well tested and reliable. It meets rigorous security and integrity standards and, importantly, it provides an opportunity to offer new or enhanced services to licence holders and to, I stress, strengthen the protection of privacy. This type of technology would provide opportunities to enhance online services in the Smart State.

Worldwide these kinds of cards are already in use in government, banking and retail sectors. Smart chip technology is now being adopted in Australia and costs have come down significantly. I note that other states are also investigating this technology for their driver licences. There may be potential for the proposed licence to be developed as a partnership with the private sector. I believe it is important that the state invest strategically in technology that will take Queensland drivers securely into the future. My desire for the proposed new Queensland driver licence is to offer a more secure and convenient licence product using the best technology available.

**Mr LIVINGSTONE:** I refer to item 10 on page 169 of the Ministerial Portfolio Statements, which states that a draft discussion paper on the Queensland Port Network Strategy has been released for comment, and to item 3 on page 1 of the Ministerial Portfolio Statements, which states that work on the new draft Queensland Port Network Strategy will continue during 2002-03, and I ask: what relationship does the Queensland Port Network Strategy have to the strategies developed for other transport modes and what benefits will the final strategy provide to Queensland's sea ports?

**Mr BREDHAUER:** We are looking to the long-term contribution that Transport can make to the economy and service delivery throughout the state. Across the portfolio we are developing comprehensive strategies for our ports, rail and roads. The state relies on the continuing ability of the port network to assist in meeting the transport needs of industry and the community. Industry

requires continuing effective and efficient transport logistics and modal interfaces to enhance economic performance and employment growth. There is currently a need to reflect on the strategic framework of port policy development to ensure that the port system continues to contribute to the state's economic and regional growth. The Queensland Port Network Strategy will illustrate the linkages between port authorities and the government's overall transport objectives, will list key strategies for achieving these objectives as well as providing indicators or targets on how Queensland's port system is addressed in the strategy. It will set the framework for port policy and port investment decisions for the next 10 years.

Within the development of the Port Network Strategy, all transport modes will be covered by a transport strategy in Queensland. Cabinet approved the rail network strategy in 2001. The aviation plan for Queensland is an entrenched Queensland policy. The Department of Main Roads has recently released its road network strategy, which is called Roads Connecting Queenslanders. The strategies are aimed to provide an adequate framework for coordinating and integrating the provision of transport infrastructure in Queensland.

The four major objectives of the Port Network Strategy are to provide a framework for future policy development on port related infrastructure and services, to facilitate optimal transport and logistic chain outcomes and to define the critical role of ports in planning. It is proposed that the strategy will identify and ensure that ports are not an impediment to the efficient throughput of products and the system can accommodate worldwide changes in vessel sizes and configurations. It is also to ensure environmental stewardship of the coastal system and to assess the impact of the environmental controls on trade facilitation. The strategy will address the increasing impact of state and nationwide environmental issues such as coastal management legislation, the Great Barrier Reef Marine Park Authority impacts on port development initiatives and, finally, it is to establish linkages between the strategy and other state, national and regional transport planning objectives. The suggested strategy will be to provide that Queensland's port network is not an impediment to the efficient movement of products or passengers. We expect the strategy will be finished by about April next year.

**Mr STRONG:** I refer to the recent initiatives announced in the state budget regarding improving the safety of our children travelling to and from school. What progress has the government made to ensure that the high standard of school bus safety is maintained for these children?

**Mr BREDHAUER:** This is an important issue and one that a lot of people have focused on. School bus travel is already the safest way that students can travel to and from school by road—even safer than travelling in the family car. Each school day, about 150,000 students across Queensland use bus travel to access school. This equates to about 60 million individual passenger trips each school year undertaken by our young people.

The Beattie government is committed to ensuring that school bus travel continues to provide safe, secure travel for students. To this end, I have announced the establishment of a new subsidy arrangement which will help operators of school bus services in Queensland to progressively upgrade their vehicle fleet. In 2002-03 the amount of the subsidy available is \$3 million. This arrangement will be funded for the next 25 years at a total cost of \$101 million. During that time, subsidies for up to 750 buses will be made available. Bus operators will be able to apply for a subsidy of 40 per cent of the purchase price of vehicles up to a maximum of \$100,000. Of course, certain conditions will need to be met in order to qualify for the subsidy.

The most important condition is that buses must comply with Australian Design Rule 59/00 Omnibus Rollover Strength, which refers to a bus body having sufficient strength not to collapse in the event of an accident in which the bus rolls over. This is considered to be the most critical aspect of the design of buses. The subsidy will be available for both new buses and buses up to five years of age which will be used to transport schoolchildren on services under contract to Queensland Transport. Availability of the funding will be prioritised to those areas most in need. For example, long, steep and very steep school bus routes where standing passengers are already banned will be the first priority. Next will be high-speed roads in rural areas and so on. The subsidy scheme has been carefully designed to help accelerate the introduction of newer buses that have more modern, improved safety features but at the same time limit any negative impact on the value of existing vehicles currently used by school operators. This will help to ensure that high-quality services continue to be provided.

We have also allocated \$600,000 in 2002-03 to conduct a trial of seatbelts on school buses. That funding will provide for seatbelts to be fitted to up to 10 school buses that are currently using designated long, steep and very steep roads where standing passengers are not permitted. The

buses eligible for the trial can be either School Transport Assistance Scheme services or fare-paying fully commercial services provided they are principally used on school services. The School Safety Transport Task Force report noted that experience in other jurisdictions showed that there were significant operational problems, including making children wear the seatbelts. The trial in Queensland will address these issues and help to provide solutions to these problems.

**Ms BOYLE:** Following up on the School Transport Safety Task Force, could you tell me about the recommendations of the report and whether they are being implemented?

**Mr BREDHAUER:** We set up the task force last year and it reported to us last September, making a number of recommendations regarding aspects of travel relating to speed limits around schools, school buses, public education, and increased involvement of school communities in safety matters. Following the receipt of the report, an interdepartmental working group on school transport safety was established in November last year to assess the recommendations in the final report. The interdepartmental working group examined all of the task force recommendations and in this budget we allocated a total of \$4.63 million to start implementing these measures. The money that has been allocated is extra funding above and beyond current payments made to school transport operators and above our ongoing safe school travel programs. The funding for 2002-03 includes the \$3 million for the upgrade of school buses, which I was just referring to, and the \$600,000 for the allocation of the seatbelt trial. There is also a million dollars for a comprehensive public education campaign, and \$30,000 has been allocated for the continued monitoring of school transport safety crash data. Funding for the bus upgrade program, public education program and crash data analysis has the same indicative funding for the next four years.

Other initiatives flowing from the School Transport Safety Task Force final report include the 30 kilometres an hour school zone trial, which ends on 21 June and which is currently being evaluated, the safe communities trial to assist school based community groups which commenced in June of this year, the bus driver education program which we are currently negotiating with the bus industry, and consideration of a number of engineering and regulatory measures for school buses that will further enhance school transport safety.

In short, I think the committee did an excellent job in analysing the issues in relation to school bus safety. Importantly, it identified that a lot of the issues in relation to safety for kids travelling to and from school are not related to school buses but to other parts of the school environment, and it made a broad sweep of recommendations. I think the government has taken the philosophy behind those recommendations and we have embraced all of them effectively through the initiatives that we have put in place already, including the additional money that has been allocated in this budget.

**The CHAIR:** A bit like the member for Gregory's annual question about the Townsville South rail yards, we now come to my annual question about the Urangan boat harbour.

**Mr JOHNSON:** I am glad somebody else has an annual question.

**The CHAIR:** My question gets an annual update on progress. The MPS refers to the government's election commitment to construct a bunded facility for dredged material at the Urangan boat harbour. Can you tell me what progress has been made this year?

**Mr BREDHAUER:** Let me just assure the committee that I care for whales, too. Queensland Transport is responsible for providing the navigable access to the Urangan boat harbour. Lessees within the harbour, primarily the Great Sandy Straits Marina, are responsible for maintenance dredging in their lease areas. We have had some differences of opinion about that with GSSM, but hopefully we are bringing those to a conclusion.

The Urangan boat harbour is vital to a range of activities which are important to the economy of Hervey Bay, including commercial and recreational fishing, tourism operations, access to Fraser Island and of course and very importantly at this time of year the whale watching industry. In recent years the disposal of dredge material from the harbour has been a problem. With convenient disposal methods no longer available, a long-term dredging strategy and impact assessment study was undertaken which recommended the construction of a dredge material disposal and rehandling area adjacent to the existing harbour. As part of an election commitment, and might I say due in no small part to the efforts of the member for Hervey Bay, the state government provided \$3.77 million in 2001-02 and 2002-03 to construct a long-term disposal and rehandling area. This will underpin the future of the harbour and achieve quality environmental outcomes.

Following detailed design, permit approval applications and the calling of tenders, a contract was awarded to Whitsunday Crushers in April 2002, and I was very happy to join you in Hervey Bay to announce that contract. Construction of the disposal area commenced in early June 2002 and is over 20 per cent complete already. Work is expected to continue for approximately eight months. The disposal area will then be available for the next required harbour dredging work in mid-2003. Routine maintenance dredging of the public channels of the harbour was completed in October 2001 at a cost of just over \$350,000. Beam dragging to trim high spots in the entrance channel was recently completed in mid-June prior to the start of this year's whale watching season. That was undertaken by the Bundaberg Port Authority and cost us just under \$30,000. These major investments demonstrate the government's commitment to the future of the Urangan boat harbour and the Hervey Bay region and particularly to those industries which rely on the Urangan boat harbour which are significant contributors to the economy in the area. I thank the honourable member for his support for our initiatives there.

**Ms BOYLE:** Minister, I refer to the Cairns Cityport project. Budget Paper No. 4 nominates a figure of \$42 million to be spent. Could you tell us what components this will be spent on as well as any major milestones that we can monitor for this important project for Cairns?

**Mr BREDHAUER:** The Cairns Cityport project, as you know, is a very important project and I have been very happy to be a part of working through those issues with the Cairns Port Authority. There has been significant work which has been undertaken by the port authority as part of stage 1 of the Cairns Cityport project. In total, \$41.988 million has been allocated by the Cairns Port Authority for the development of the Cityport project. The port authority has separated the Cityport project into two distinct zones—Cityport north and Cityport south. Cityport north involves redevelopment of the Reeflink marina and associated works, with Cityport south involving refurbishment of the existing cruise liner terminal as well as the development of hotel and serviced departments. In a number of the proposed residential developments in Cityport south the port has proposed that freehold volumetric title will be granted to the developer for the building from plaza level to roof level.

I think that the work that has already been done with the reopening of Spence Street to the foreshore, the wave break that has been completed for the Marlin Marina area and the extensions to the Marlin Marina area demonstrate the significant commitment that we have made through the Cairns Port Authority. As you know, we have got a few doubters up there in the local Cairns community, including the business community, about how effective the role of the Cairns Port Authority is. Can I just say to those people that, through projects like Cityport and also through the contribution that the Cairns Port Authority made to securing Cairns as the base for Australian Airlines, we as a government through the public ownership of the Cairns Port Authority and particularly the Cairns airport have been able to make very strategic decisions which have a positive impact on the economy of Cairns. I acknowledge in relation to the Australian Airlines project the work done by the Minister for State Development and his department in helping to secure Australian Airlines to Cairns. You and I both know that it has given a real lift in confidence to the people, particularly the business community, of Cairns. We should be in my view thanking Clive Skarrott and members of the port authority for the great effort that they have put in over recent times through the Cityport project and the work that they have done at the airport. We have used our public ownership of both the seaport and the airport for the strategic interventions that we as a government can make to ensure that they continue to play a vital role in developing economic and employment opportunities in Cairns.

**The CHAIR:** That concludes this block of government questions. There is about 25 minutes left and the next block of opposition questions will be about 14 minutes and then we will close out with some government questions for the last 10 or so minutes.

**Mr JOHNSON:** Minister, I refer to the capital outlay statements for the Queensland Transport portfolio in the CS document on page 3 which used to be shown as one figure. From my calculations the actual expenditure for the portfolio was \$683.8 million. I refer you to the budget allocation for the portfolio last year, and I now table page 81 of last year's Capital Statement which totals \$859.6 million. Minister, that means that the department failed to spend \$175.7 million which was allocated last year. Given your own government's calculation of 17 jobs for every \$1 million, doesn't this mean that Queensland was denied nearly 3,000 jobs last year? Also, can you advise if that \$175.7 million is included in this year's allocations?

**Mr BREDHAUER:** Which document is it again?

**Mr JOHNSON:** It is the CS document on page 3.

**Mr BREDHAUER:** You mean the Capital Statement Budget Paper No. 4 at page 3?

**Mr JOHNSON:** Yes.

**Mr BREDHAUER:** It says 'Transport portfolio'.

**Mr JOHNSON:** Yes. My calculations for the actual expenditure for the portfolio are \$683.8 million.

**Mr BREDHAUER:** That is the estimated actual.

**Mr JOHNSON:** Yes. I refer to last year's statement, which is the document I just tabled, which totals \$859.6 million, a difference of \$175.7 million.

**Mr BREDHAUER:** Can I have a look at that document that you have just tabled? I suspect you are comparing apples with oranges, but I will have a look at it.

**Mr JOHNSON:** Be nice.

**Mr BREDHAUER:** Without having all of the document, I would need to check. The short answer to your question is no. There has not been a \$175 million or whatever your suggestion is underexpenditure. Sometimes particularly with port authorities they anticipate capital works and they are not able to entirely deliver on those capital works programs because of the requirement to get impact assessment approvals, environmental approvals and that sort of stuff. Some of that stuff is delayed. I am happy to take that question on notice. It is the first time in four years that I have done this, but I am happy to take that question on notice and provide you with a detailed answer, because I suspect that we are not comparing like figures here. But I am prepared to take that information and get back to you.

**Mr JOHNSON:** Thanks, Minister. I refer to the allocation of almost \$6.5 million in the CS document at page 81 over two years for the introduction of a smart card drivers licence. I refer also to the answer provided to opposition question on notice No. 5 in which you confirmed that it is intended to store the photograph of all licensed drivers on a computer system. I note that you have also advised that no third party will have access to this information. Minister, does that mean that the photograph will not be available to the Queensland Police Service, which has online access to existing records? If the police are to have access, does this mean that this data will also be available to other agencies with whom the Queensland Police Service and Queensland Transport have exchanged protocols, including police services in other jurisdictions and Commonwealth agencies?

**Mr BREDHAUER:** No. It will not be available to the police. The simple way of ensuring that it is not generally available to the police in the way in which some other information is made available is through the creation of a separate secure database. The information that I provided to the *Courier-Mail* after you raved off with this issue yesterday indicated that it is quite simple to establish a separate database and that access to that would only be through authorised officers of Queensland Transport and to the police in circumstances where they had an appropriate court order which would give them access to a particular individual's records which were the subject of a court order. The proposed new driver licence could feature—and I say 'could' because none of these issues have been determined yet—a digital photo and computer chip. This technology would offer a number of practical benefits.

I will go through three of these benefits. The first benefit is it will provide customers with security of knowing that their licence is very difficult to fraudulently reproduce. Both digital photos and smart chip technology are much more secure than plastic card technology, which is the current photographic process. This will assist QT in its road safety strategy to ensure only correctly licensed drivers are on Queensland roads. In a survey undertaken in May this year for Queensland Transport more than 80 per cent of licence holders supported the government making their driver licences more resistant to tampering and counterfeiting. A second benefit is that chip technology provides opportunities for possible new services. One that would benefit Queenslanders would be the option to store emergency contact details on the chip. This would give drivers the security of knowing that family or friends could be notified in the event of an emergency such as a road accident. A third benefit addresses the common concern among drivers that if they lose their wallet or purse it is their licence that allows another person to find their home address. This is particularly an issue for women—that is, the fact that the address is displayed on the front of the card.

Let me just say that the privacy issues are a high priority for us in the development of the digital drivers licensing product. We will consult widely with a range of stakeholders, and I spoke specifically yesterday to the Civil Liberties Council about the issues that are of some concern to it.

By creating a separate database and limiting access to authorised Queensland Transport officers only, you can first and foremost significantly reduce the risk of fraud. At the moment if I walked in with a drivers licence and something else like a Bankcard and qualified with the appropriate number of points, I can get a licence issued in my name. If there is a photographic record then you cannot get a licence that way. Through the establishment of a separate database we can limit access, including to the police, and access would only be available to even the police on the basis of a court order.

**Mr JOHNSON:** Minister, I know the member for Hervey Bay has asked part of this question, but I again refer to the smart card drivers licence project referred to on page 81 of the CS document and to your advice in opposition question on notice No. 5 that an option to link the card to a financial institution is being considered. Is consideration being given to the drivers licence operating as a credit or debit card? If so, would there be any account keeping fee or bank charges associated with any account? Would this function necessitate providing the financial institution with the details of the licence holder?

**Mr BREDHAUER:** Can I say first and foremost that if the product we determine has any additional capabilities other than the drivers licence capability it would be entirely at the discretion of the licence holder. Any information that was released to any other service provider, be it a financial institution or anyone else, would have to be authorised. We would not authorise the release of that information. The individual themselves who was wanting to use the card to access a particular service would have to provide that information to the other service provider. So it is not a matter of Queensland Transport making that information available to anybody. If the product has the capability of providing other services and you decide that you want to access those services, then that is an arrangement that you would make with the other service provider that we would facilitate. We are not providing any information. We are not providing any of your details or anyone else's details to any third party unless you okay it, and you provide the information basically. As I say, even with the police we would not provide the photographic image except in circumstances where a court order had been achieved.

In terms of security issues, all of the Commonwealth privacy legislation requirements would be implemented in our own state requirements as a minimum through the implementation of a digital drivers licence project. We already have a transport registration and licensing information system which has millions of data entries—information about three million drivers licence holders roughly, as an example. Breaches of the security of that system are very, very rare. In fact, I am not specifically, off the top of my head, aware of any breaches that have been drawn to my attention in recent times. There are some activities occasionally by officers of Queensland Transport that are investigated by the relevant agencies, but I have to say that given the size of the system and the amount of data that it contains, the security of that information is a feature. And in developing a digital drivers licence product—if we finally go down that path—then we would be at least replicating that level of security standard for the new product. I know that privacy issues are a concern for a whole range of people, not least of whom is the spouse of the member for Hervey Bay, and I can commit to everybody in Queensland that those issues will be seriously addressed and the community will have the opportunity to have input on those issues as will other stakeholders in the development of the product

**Mr JOHNSON:** I refer to the subsidisation of passenger air services in the MPS at page 1-32 and to the tenders presently being examined by your department. Minister, can you please update the committee on when you will be announcing the awarding of the tenders in relation to subsidised air services, and can you give an assurance that the level of services to western Queensland will be maintained—and not only western Queensland but the other remote areas of Queensland?

**Mr BREDHAUER:** As to the provision of the western air services, there is an answer to a question on notice from government members there to which I draw your attention. It provides a lot of the detail about that. Expressions of interest closed for the operation of those air services. It has been a very complex issue for our passenger transport people to work through—not the least of which reason is the volatility in the industry at the moment—and for small airline operators it is a very complex issue. One of the things that we are trying to ensure—to the extent that it is within our capability to do so—is that we do not have a recurrence of the Flight West and Ansett situation where a company falls over and, as a result of that, we are confronted with people facing a loss of services and us having to scramble around and find people to fill the gap. Qantas, Macair and Eastland Air, I think, in the first instance did a good job of helping us to fill the gap last time—in some cases at some cost to them, I have to say. I expect that we will be finalising the

assessment and making an announcement in the near future. I am trying to get it done as quickly as possible. I understand the issues about certainty of service.

Let me talk about Roma. Roma was getting 10 services a week under the current contract arrangement. Occupancy of those services was running at about 40 per cent. Roma is about five hours drive from Brisbane on basically good road. We are also providing for the first time regulated and subsidised bus services to Roma. I am conscious of the concerns that have been raised in Roma. We are going to subsidise a daily service to Roma, and they will have a guaranteed minimum size of aircraft, which is the 36-seater Dash 8. At current levels of patronage it will still operate at only a little over 50 per cent of capacity. I do not think that is an unreasonable service to offer to the people of Roma. We talked to the Roma town council. We talked to some of the neighbouring shires. We talked to the Harvey World Travel agent out there. We talked to Queensland Health, Education Queensland and TAFE. We talked to all the major users. We even offered to talk to the member for Warrego, who declined our briefing. When we briefed you, you kindly agreed to pass on the information to the member for Warrego—bearing in mind that we offered him a briefing and he was not available to accept the briefing when we went through the consultation process. But to be honest with you, I do not believe that offering a daily return subsidised service to the people of Roma is unreasonable. It was previously 10 services. Some of those services were on smaller aircraft that had lower patronage because people did not like the smaller aircraft. So we said, 'We can reduce the number of services to seven but guarantee the larger aircraft on every service', and that is what we have done. But bear in mind that in addition to the subsidised air services they will now, for the first time, get subsidised and regulated bus services on a regular basis into Roma, as well. Quite frankly, Vaughan, there are people in my electorate and probably in yours as well who would not mind a daily subsidised air service to anywhere, let alone Roma to Brisbane.

**Mr JOHNSON:** I have to say that I totally agree.

**The CHAIR:** That concludes the opposition members' block of questions. The last block of questions will be from government members. I believe the member for Burnett has one.

**Mr STRONG:** Minister, I have been lobbied heavily by the member for Mansfield for this question, as you would probably realise. I refer you to page 79 of the capital statement in Budget Paper No. 4 where it is mentioned that the Inner Northern Busway is due to be completed in December 2003. I believe this busway is heading north but not far enough for some of us. Can you outline the present situation of the Inner Northern Busway?

**Mr BREDHAUER:** Yes. The member for Mansfield has been a champion of the busway, and I thank him for that because he has actually created a profile for public transport. It is important for people out there in the community to know that members of parliament use public transport. I have been on the busway myself. I was talking to people the other day who were from Sydney. They used the busway when they visited here, and they think it is great.

The Inner Northern Busway will finally be a 4.7 kilometre dedicated road used for buses similar to the South East Busway between the CBD and the Royal Brisbane Hospital. No, it does not get to Burnett, but it is good for the people on the inner north side of Brisbane. The Inner Northern Busway consists of 10 sections that will be built in stages. The staging will take into account factors such as funding, integration with other major projects, et cetera. Stage 1 of the Inner Northern Busway has already been completed at the Normanby Fiveways. Stage 2 is currently funded and due to start construction in August 2002 for completion by December next year. This will provide a busway link from Roma Street to Gilchrist Avenue at Herston. Subsequent stages are planned in future years to complete the CBD and Herston ends of the project but are not currently funded.

Stage 2 runs from Roma Street and links to the completed section of the busway at the Normanby Fiveways and continues through the Victoria Park Golf Course to Gilchrist Avenue. The section from Roma Street to the Normanby is being constructed under an alliance agreement between Queensland Transport, designers Sinclair Knight Merz and constructors Thiess. Construction is expected to start next month. The Victoria Park section is being constructed under a design and construct contract. Tenders for this section closed in April and should be awarded in July, allowing construction to start, we hope, by September.

Construction of the Inner Northern Busway will include the construction of a busway station at the QUT Kelvin Grove campus. Other stations are planned for the future at the Royal Children's Hospital, the Royal Brisbane Hospital, the Normanby and Countess Street. The INB aims to provide bus patrons with a faster, safer and comfortable journey through the inner-northern

suburbs of Brisbane and better continuity to major trip generators along the route, reducing travel times. It will also provide reliable congestion-free running of buses, reduce vehicle emissions and encourage sustainable urban development in providing passenger transport.

Stages 1 and 2 of the busway are estimated to cost \$135 million, of which the state is providing \$120 million and the Brisbane City Council is contributing \$15 million. I think the important thing is that it will also link with the South East Busway, and the linkage of the busway network will provide patronage benefits for both. So with the significant patronage increase we have seen on the South East Busway already, I expect to see another boost to that once the INB has been completed, as it will link the QUT campus at Kelvin Grove and the Royal Brisbane Hospital—which are two major trip generators—and Roma Street.

**Ms BOYLE:** On the topic of ports and the capital infrastructure budget for this 2002-03 financial year, according to page 87 of Budget Paper No. 4, \$243.67 million has been set aside for this capital infrastructure budget. In Cairns there is a suspicion that that means that there are a few major projects probably in the south-east corner that will get a pile of funding and too bad for the rest of the state. Would you detail in fact how that money will be spent, what projects it will be spent on and, in relation to the ports and their corporatisation, how that has contributed to port infrastructure development?

**Mr BREDHAUER:** As we have already discussed, a significant amount of money—\$42 million—is being spent by the Cairns Port Authority for the continuing development of the city port project. So it is by no means a south-east Queensland focused capital works allocation. At a little over \$243 million, the 2002-03 capital infrastructure budget by Queensland port authorities is the largest since the inception of corporatisation during 1993-94. The budget expenditure for 2002-03 covers all ports, including those in remote regions, and is not concentrated on only one or two larger projects, as has been the case in the past. Just to give you an example by region—the Bundaberg Port Authority is allocating \$1.7 million in 2002-03 for the development and continued upgrading of port infrastructure. This includes \$300,000 to complete the development of the TAFE marine facility, which commenced in March this year and is expected to be completed in September. The Townsville Port Authority has allocated \$7.4 million towards the acquisition of infrastructure and improvements to the port, including upgrading wharf fender systems and environmental buffer zones between residential, industry and the port.

The Ports Corporation of Queensland has a budget of just over \$4 million for the port of Abbot Point terminal operations, maintenance and general works, \$2.9 million for dredging and enhancement of port infrastructure at the port of Weipa, and \$1.5 million for dredging and minor projects at the port of Karumba. The 2002-03 Capital Works Program not only concentrates on the replenishment of assets but also major projects. These include the \$44 million allocated by the Gladstone Port Authority towards the continuing \$80 million berth 3 development. The project, which commenced with the award of the contract in October 2001 to a local consortium, is part of the RG Tanna coal terminal expansion project, which includes construction of the third berth, dredging of the berth pocket and departure channel, increasing train unloading capacity and construction of stockpile 15. That is expected to be completed in 2003.

There has also been almost \$73 million allocated by the Port of Brisbane Corporation for the continuing development of the port of Brisbane, including the Fisherman Islands expansion and the port industrial estate. With respect to the actual value of capital investment in Queensland ports since corporatisation took place during 1993-94, expenditure to 30 June 2001 totalling just over \$1 billion has been invested by our ports around the state. So if you add that to the \$7 billion that has been spent over roughly the same period by QR you can see that the Transport portfolio is making a major contribution to investment in infrastructure throughout the state of Queensland.

**Mr LIVINGSTONE:** Minister, page 1-19 of the Ministerial Portfolio Statements relating to road use management output programs notes that Queensland Transport has produced a pilot called TravelSmart Suburbs that produced a 10 per cent reduction in private vehicle use. I ask: could the minister provide further advice on the nature of this pilot and how these results are achieved?

**Mr BREDHAUER:** In addition to the work that we are doing with integrated ticketing and trying to improve coordination of public transport services we actually have to educate people about where the services are and how they can access them. So we did this study on the TravelSmart trial to try to encourage people to change their travel behaviour. It is a voluntary behaviour change program that encourages people to reduce car use in favour of environmentally friendly modes, such as walking, cycling, public transport, telecommuting or teleworking and ride sharing, as well as shorter trips. The TravelSmart Suburbs pilot used individualised marketing with 455 randomly selected households in the Windsor-Grange district.

The pilot, which ran from May to November 2001, used personal contact to provide information and assist people to think about their travel. If requested, they were given information to support them to try alternatives. Almost two-thirds of households approached requested information to help them use environmentally friendly modes.

I want to acknowledge that the Brisbane City Council was an excellent partner in the pilot and provided technical and in-kind support. The pilot achieved significant shifts towards environmentally friendly modes. Overall there was a reduction in car use of 10 per cent. Walking was up by 16 per cent; use of bicycles was up by six per cent; the use of public transport was up by 33 per cent; car use as a driver was down by 10 per cent; and car use as a passenger was down by five per cent. This is similar to an experience in Perth.

Essentially what this demonstrates is that if you actually go out there and tell people what services are available and how they can access them they will use them. Lack of understanding of how public transport and other modes work is a key inhibitor. It is like when you go to the Sydney railway station for the first time and you are confronted with the ticket machines and you do not know how to use them: you go upstairs and you catch a cab. If you can teach people how to use the services that are available, they will actually use them.

This was actually one-on-one, personal contact from a company providing the pilot. We contacted them, told them what the options were and told them how they could access the options. We provided them with that information and advice, and it actually worked in terms of getting people to change their travel patterns. I think it is a good example of how we will move in the future, through the transit development process, to educate people about public transport and alternative transport modes.

**The CHAIR:** Thank you, Minister. That concludes the committee's questions regarding the Transport portfolio. The committee will now take a break and resume the hearings at 5.30 p.m. with consideration of the estimates of the Department of Main Roads.

Sitting suspended from 5.16 p.m. to 5.33 p.m.

**The CHAIR:** I declare the committee hearing resumed. Minister, would you like to make an opening statement?

**Mr BREDHAUER:** First I will introduce the officers at the table. With me are the Director-General of Main Roads, Steve Golding; the Director of Corporate Services, Danielle Anderson; the Deputy Director-General, Don Muir; the General Manager, Strategic Policy and Development, Neil Doyle; and the Executive Director, Roads Program, Karen Peut.

Main Roads has a \$2.13 billion operating budget which includes a \$1.1 billion allocation to manage, plan, construct, maintain and operate Queensland's state controlled road network within the overall transport task. The Main Roads budget outcome reflects the Beattie government's commitment to deliver its election promises and its continuing commitment to improving Queensland's road system. It provides \$860 million to deliver the Regional Roads Program covering federal government funded National Highway projects and Roads of National Importance contributions, state funded allocations for works on the state controlled network, subsidies to local governments for local road upgrades and supporting network planning and administration, road network operations and use, and program administration activities. The overall roads funding allocation will sustain jobs for about 17,000 workers in roads and associated industries.

While the federal government has clearly signalled its intention to move away from the current road funding agreement, starting with a \$60 million budget cut for National Highways in 2002-03 and \$78 million overall for Queensland roads, the Beattie government is standing strong in support for rural and regional roads and will spend \$37 million more on state and local government roads this financial year.

For years the federal government has been acknowledging that Queensland has the worst National Highway system in Australia. Every year Queensland has been told, 'Your turn is coming.' The Deputy Prime Minister and federal Transport Minister has publicly acknowledged the need for a substantial increase in federal funding for the National Highway system in Queensland. Unfortunately, though, while we are getting the savage cuts New South Wales and Victoria have received substantial increases. Clearly, the federal coalition government does not recognise the regional development imperatives linked to an enhanced National Highway system in Queensland.

The failure of Queensland's federal coalition members to secure the necessary Commonwealth funds for this task is very disappointing. I take this opportunity to encourage

National and Liberal Party MPs to advance Queensland's interests with their federal counterparts. Vaughan, I know that you have done that in the past and I hope that you can again in the future. Every effort must be made to halt the recent trends, where the Commonwealth government has siphoned tens of millions of dollars off to other states where the National Highway task is almost complete.

Within the funds available Main Roads continues to build more than just roads. In connecting Queenslanders it plays a vital role in the economic and social wellbeing of the state. The new strategy for the road network, Roads Connecting Queenslanders, provides a strategic policy direction for Main Roads. Roads Connecting Queenslanders will continue to reflect the government's strong commitment to economic, trade and regional development but provide greater focus on social, environmental and safety concerns.

The government's five key priorities will be more directly reflected in priorities for planning and managing the road system, including the influence of local communities and the contributions Main Roads can make to whole-of-government priorities and outcomes. The government's commitment to regional and rural Queensland is reflected in the regional roadworks programs approved as part of the current Roads Implementation Program, which demonstrates a clear commitment to open planning and seeks to encourage community feedback which will result in better roads planning decisions and improved Main Roads response to the overall transport task.

Highlights of the Main Roads budget are \$625 million for construction, rehabilitation and maintenance of other state controlled roads, including a \$28.4 million federal Roads of National Importance contribution; \$182 million from the federal government for National Highway, which is a \$60 million reduction over 2001-02; and \$277 million for other road programs, including \$34 million for the Transport Infrastructure Development Scheme, \$10.4 million for natural disaster relief and motorway land acquisition and \$233 million for buildings, plant and equipment, interest and redemption charges and corporate support. Importantly, more than 50 per cent of the roads program will be spent outside of the south-east corner where, overall, the road construction and maintenance needs are greater.

**Mr JOHNSON:** Minister, I refer to the \$6 million promised in the current Roads Implementation Program for the Tugun bypass for the 2002-03 financial year and to page 57 of the Capital Statement. Why has \$2 million been taken from this project in this budget? I note also that the total estimated cost of the project in the Capital Statement is \$120 million, which equates to the latest Queensland government contribution only. Do you have any idea at all of the estimated cost of the project?

**Mr BREDHAUER:** We have not finalised the estimated cost to the project at that stage, the main reason for that being that we are still working through the impact assessment work. Until we have done the impact assessment study and we know the issues that we need to deal with to get both Commonwealth and New South Wales approvals, we cannot finalise the likely out-turn cost of the project.

In terms of the allocation that has been made, what we have done is that we have increased the available funds for the Tugun bypass from the state government to \$120 million. That additional allocation—we had \$55 million, I think it was in last year's forward estimates—comes from the Special Infrastructure Fund that we announced as part of this budget. It gives a solid indication of the commitment that we as a government have to commencing construction of this project.

I have to say that I am persistently disappointed in the Commonwealth's refusal to come to the party. From the day in 1998 when Mark Vaile told you that they would fund half of this project with new funds, we have had nothing but prevarication from the Commonwealth and they have persistently refused to make a commitment to the extent where the letter that I got from Anderson late last year indicated that there would be no money for this project from the Commonwealth before 2005-06. I think that their position is untenable, but I have made a commitment and we have as a government made a commitment—

**Mr JOHNSON:** What about New South Wales?

**Mr BREDHAUER:** New South Wales has always said that it is not going to put any money in.

**Mr JOHNSON:** I realise that.

**Mr BREDHAUER:** And we and the Commonwealth said that we would fund it fifty-fifty, basically. Anderson has issues that he wants to take up with New South Wales. The issue for us is that we have already spent, basically, \$11 million on this project. We have money that is

allocated this year to continue with the planning and approvals process. We are determined to make a start on construction. Our commitment has grown from \$55 million to \$120 million, which is secure in the forward estimates. As soon as we can sort out the New South Wales and Commonwealth requirements, we will be initiating construction. But I am determined that we will see a start to construction on this project. That is why I argued that the additional allocation had to be made. I just once again plead with John Anderson to stop ripping money out of Queensland roads and to recognise that he has a responsibility to projects like the Tugun bypass. Without real increases in funding from the Commonwealth, we are just going to continue to go backwards.

**Mr JOHNSON:** I refer to the staffing projections on page 2-7 of the MPS and to the review of corporate services, in particular to the briefing documents that are headed 'Queensland government' and carry the Queensland government logo.

**Mr BREDHAUER:** Sorry, what briefing documents are they?

**Mr JOHNSON:** Page 2-7 of the MPS. The chairman can table that document that has identified savings of between 20 per cent and 40 per cent in the service provision. Is this saving mainly related to the salaries of staff in regional Queensland? How many jobs in Main Roads is this review likely to impact and where are they located?

**Mr BREDHAUER:** What number?

**Mr JOHNSON:** Page 2-7 of the MPS.

**Mr BREDHAUER:** Are you talking about the table at the top of 2-7?

**Mr JOHNSON:** Yes.

**Mr BREDHAUER:** And you are saying that—

**Mr JOHNSON:** What I am saying is that the—

**Mr BREDHAUER:** The drop of \$100,000.

**Mr JOHNSON:** Between 20 per cent and 40 per cent in this service provision. I will read the question again. I refer to the staffing projections on page 2-7 of the MPS and to the review of corporate services and in particular to the briefing documents headed 'Queensland government' and that carry the Queensland government logo, which I just tabled, that have identified savings of between 20 per cent and 40 per cent in this service provision. Is this saving mainly related to the salaries of staff in regional Queensland?

**Mr BREDHAUER:** I think what you should do is actually look at the MPS. The MPS indicates that there is a decrease of about 100 in corporate services across the department. It will not have any impact on service delivery and it certainly will not have any impact on regional and rural roads.

**Mr JOHNSON:** So they will not have impacts on regional offices throughout the state?

**Mr BREDHAUER:** No, no. It is not 40 per cent, as you indicate. You are comparing a document that is not related to the MPS for Main Roads. That is the issue. Across the whole of government they are looking to establish a review that could result in savings on the cost of service delivery, but in Main Roads there are no reductions in regional Queensland. Okay? No reductions in regional Queensland!

**Mr JOHNSON:** I refer to the Bridge Asset Management System on page 2-15 of the MPS. You may recall your answer to question on notice No. 647 in which you advised that 90 per cent of the bridge stock had been inspected and that 70 per cent had undergone a detailed condition rating survey. Can you advise the committee what percentage of bridges inspected required structural repair or replacement? As a structural deficiency in bridges can pose a significant safety risk, will you advise what action is being taken to address this problem in view of the increasing freight task enforced on the roads, for example, livestock?

**Mr BREDHAUER:** I am happy to. We have undertaken the assessment of the bridges. We have identified those that have structural and/or maintenance problems. In some instances, we have actually had to apply load limits to bridges because of our concerns about their structural condition. We have allocated funds through the Roads Implementation Program to do the bridge upgrades. You would be aware of this, because there are a number of local governments who claim that I have taken money off them to do the bridge upgrades. My view is that, as the responsible minister, I have an obligation to the road network to make sure that people, whether they be domestic road users or industry road users, have the capacity to use the road in the knowledge that it is safe to use.

I stress that we are not taking any money off local government; what we are doing is that we are using our own state controlled road budget to upgrade bridges. In part, one of the things that we have done is that we have said that we will put an increasing proportion of our funds that are available to maintenance rather than to new works. We have a substantial asset in our road network. In fact, it is Queensland's biggest single asset. We indicated last year—and it is also in this year's budget—that we will continue to direct more of the funds to maintenance rather than new works. But the important thing to realise is that the bridges will continue to operate in safe conditions. We will do the upgrades that are required. If there is any requirement to put load limits on the bridges, we will do that. But we believe that we have a program in place—

**Mr JOHNSON:** Can you be more specific about the bridges themselves—what bridges you are prioritising here, or not?

**Mr BREDHAUER:** They are basically timber bridges in southern Queensland. There are a significant number of timber bridges in southern Queensland. We have done a condition report on all of those and progressively we will be upgrading them all.

**Mr JOHNSON:** Have you got any idea what the cost will be of that exercise, though?

**Mr BREDHAUER:** We have allocated about \$5 million.

**Mr JOHNSON:** \$5 million?

**Mr BREDHAUER:** Per annum in the current Roads Implementation Program to address that issue. So it is about \$5 million per annum.

**Mr JOHNSON:** I refer to the efficient and effective transport output performance on page 2-19 of the MPS and to the congestion on the Gateway Bridge. I ask: how much did it cost to build the Gateway Bridge? How much debt is remaining?

**Mr BREDHAUER:** While we are getting the information about how much it cost and how much debt is remaining, let me just say that, generally speaking, the gateway capacity is dealing with current traffic loads on the bridge. As with all roads in populated areas, you do have peak periods of use where you can experience congestion but, generally speaking, the Gateway Motorway is still meeting the current traffic loads and is likely to continue to meet the emerging likely growth in traffic on the Gateway Bridge for the next couple of years. You would know that we have initiated a detailed study into the construction of an additional crossing, which is a potential candidate for a public-private partnership in the future. We are currently working through that process.

The initial cost was about \$200 million. It is a bit hard to work out the debt. Queensland Motorways Limited, as you know, has assumed the debt for the Sunshine Motorway. You would know that because you did not support it, but the former Treasurer did it to you. So the total debt is actually greater than the initial cost of the bridge.

**Mr JOHNSON:** Can I put that on notice and can you give us that detail?

**Mr BREDHAUER:** Sure. We will get back to you with a detailed figure and a breakdown of it.

**Mr JOHNSON:** I refer to the notes of the table in Main Roads, Departmental Overview, MPS 2-1 in which you acknowledge an asset write-off of \$142 million. Will you please inform the committee what is the category breakdown of this write-off?

**Mr BREDHAUER:** The MPS reference again, please?

**Mr JOHNSON:** MPS 2-1.

**Mr BREDHAUER:** 'Assets write offs (\$142.0 million)' in the footnote under 'Capital Investment'.

**Mr JOHNSON:** Down the bottom there you have 'Represents equity return (\$864.6 million), depreciation (\$644.6 million), assets write offs (\$142.0 million)'.

**Mr BREDHAUER:** Yes.

**Mr JOHNSON:** 'And interest (\$66.7 million)'.

**Mr BREDHAUER:** I have got the answer now. What that refers to is de-mained roads—where we build a new road and we de-main another part of the road network as a result of that.

**Mr JOHNSON:** Can you be more specific about those roads, or not?

**Mr BREDHAUER:** Just as an example, we are building roads on the Sunshine Coast. We are doing the Eumundi Bypass on the Sunshine Coast, then there is the Eenie Creek arterial road, and the southern access road in Noosa, which are roads that are going to be de-mained. As a

result of that, we have to adjust the value of the capital asset. The capital asset will actually increase by the value of the new road, but it will also decrease by the value of roads that have been restructured.

Another example would be the Heart of the City project, where we have given the Gold Coast City Council \$21 million odd and, as part of that, they will accept responsibility for some of the roads in the road network. We actually give them money to upgrade roads and then they take over responsibility for it, so we then have to do a revaluation of the asset base for the roads. If you are building new roads, for example, you appreciate by the value of the new road but you discount by the value of the roads that you de-main. We are often doing de-maintenance packages.

**Mr JOHNSON:** I refer to the Gatton bypass project, CS55, and to the media reports that the contractor undertaking the work has been placed into administration and that work on the project has ceased. What due diligence was undertaken on the company involved and, in particular, its parent company? Did these inquiries indicate any concerns and, if so, what supervision was put in place, particularly in relation to the protection of subcontractors and workers? What will now happen with the work on this project?

**Mr BREDHAUER:** Due diligence was undertaken on Stockport NQ, the company which has got the contract. It is a separate entity from the parent company, Stockport Civil. They have gone into receivership, we were advised yesterday. We will have discussions with the receiver-managers to determine whether there is any prospect that Stockport NQ might be able to continue the project.

I should say that they have had about \$73 million worth of work since 1994, so they have regularly done work which has been of a satisfactory standard for the Department of Main Roads. This project is worth a little over \$8 million, the contract that they have currently, so it is a significant project, but it is the type of project for which they have shown capability in the past. They have recently finished a project up on the Atherton Tablelands called the East Evelyn upgrade, which was about a \$16 million project. Due diligence was done. There were some concerns identified in respect of the parent company, and so we asked for an additional half million dollar guarantee. The receivers have spoken to us and they have asked us not to call in the guarantees at this stage until they can determine the likely prospect of them trading out.

My priorities are, first and foremost, to protect the interests of the taxpayer, to do whatever we can to ensure that none of the subcontractors are out of pocket—and we have the capacity to access the guarantees to help to deliver that—and to finish the project, because it is a very important project and I worked very hard to get the money out of the feds for this project. If those criteria can be met and we can be guaranteed that they are likely to be able to finish the job properly and trade out of their difficulties, then that would be the simplest way to do it. However, it is much too early to speculate on that at this stage. We will need to work through that with the receiver-manager.

They are my priorities: protect the taxpayers' interests, make sure the subcontractors' interests are looked after to the greatest extent that we can, get the job finished as soon as we can, and if there is any prospect of them finishing the job, that is probably the way of getting it done soon.

**Mr JOHNSON:** One of the issues here—and it has been a concern of mine and I know for some of the regional managers it is a concern, too—is that in the past when we see these companies fall over halfway through a project or three parts of the way through a project or at the finish of the project, the subcontractors are not paid. A couple of them come to mind straightaway. What safeguards has the department put in place now to make sure that this is eliminated in the future? I made reference to the due diligence in this question, but has the department now got a firmer or stricter set of guidelines or searches in place that can eliminate this factor from occurring?

**Mr BREDHAUER:** The answer to that question is yes, we have a prequalification process and companies which are getting contracts from us have to go through the prequalification process, which includes a due diligence assessment of their financial capabilities. The reason why I mentioned that they have done in excess of \$70 million worth of work for us—and that is Main Roads, because they have also had work for QR, for example—is because they have had a track record of doing satisfactory work in the past.

In terms of protecting the interests of subcontractors, we do secure guarantees prior to their commencing work to try to help cover off contingencies like this, should it occur. You know as well as I do that it does not matter how strictly you do your due diligence, from time to time there are

companies which go into receivership. In this case, we asked for an additional half a million dollars guarantee because there was some speculation about how sound the parent company was. We increased the level of the guarantee and, if necessary, we would be able to use that to help protect the interests of the subcontractors.

Yes, we have improved our systems through the prequalification process and we do due diligence on the financial capability of the company. We are as concerned as you are about the subcontractors, but we are also concerned to protect the interests of the taxpayers and to get the project finished as quickly as we can, and they will be our priorities.

**The CHAIR:** I refer to budget outcomes for regional roads. This year's budget provides \$860 million for roadworks throughout Queensland. How does this compare with last year?

**Mr BREDHAUER:** In terms of the regional roads program, the state government increased funding for regional roadworks by \$27 million in this budget. Notwithstanding that, the budget to budget comparison reflects a decrease of \$23 million overall, primarily because of a \$50 million federal budget cut to national highways and roads of national importance in the 2002-03 allocation from the Commonwealth. The decrease comes as a result of a budget cut for the national highways of \$60 million and a range of other issues, which is offset by state based road funding of \$43 million, extra funding for state election commitments, the Tugun bypass, Hervey's Range Road, South Johnson Road and the Cairns to Cooktown special initiative.

It is important to identify that the reduction in funds from the federal government will have a serious impact, because a lot of the reduction comes through the Pacific Highway reconstruction program. When the member for Gregory signed the agreement for the Pacific Highway reconstruction program, the federal government promised \$15 million a year indexed for 10 years. We are five years through the program and the federal government has said it has suspended the payments for the next two years, but I am not at all confident that we will get that money back. The Commonwealth's actions in this regard have offset and negated the increase in funds from the state government. We continued to make significant additional contributions through our budget to significant projects on regional roads, as I have outlined. We have the worst national highway system of any state or territory in Australia. John Anderson himself has acknowledged that repeatedly and yet the best he can do is cut our funds for national highways in this year's budget by \$60 million. I might also say that a GST impost by the Commonwealth has been increased to CPI by \$3 million. We just keep losing money to the Commonwealth hand over fist.

**Mr STRONG:** The Deputy Prime Minister has foreshadowed a new approach to federal government involvement in transport. Has the Commonwealth consulted with the states in developing this policy, and is it in Queensland's best interests?

**Mr BREDHAUER:** The short answer to the question is no. I am very concerned about the future of the intergovernmental agreement on funding for roads not just in Queensland but nationally. The Deputy Prime Minister, John Anderson, cancelled the last Australian Transport Council meeting, due to be held in May in New Zealand, and then used the opportunity of a speech to some industry group to launch his proposal, which he calls Auslink, for a new national approach to funding for roads in Australia. Essentially, Mr Anderson is saying that they will move past—I think they are his exact words—100 per cent funding for national highways. I am very much over his moving past funding for national highways if that is his plan, because that means that Queensland, which has the acknowledged greatest needs for national highways, has waited year after year to get a fair shake-out of the national highway budget from the federal government.

John Anderson admitted to me in a meeting on 10 May, where we discussed the Tugun bypass primarily, that the national highway system in every other state was in, as he described, maintenance mode. That means that they have done all the upgrade work and construction work and that all they need to do is put money into the maintenance. We in Queensland have a reasonable expectation that it should now be our turn to get the lion's share of the national highway funds to upgrade our deficient national highway network. John Anderson uses this year when it is our turn to say that they will no longer fund 100 per cent of national highways. Queensland stands to lose substantially from this. It is a proposal by the federal government to cost-shift to the states.

The federal government is doing it not just in the transport portfolio or in roads; it is doing it across government. It is about the federal government walking away from its responsibilities not just to state governments but to local governments where it has cut funding for the Roads to Recovery program which had provided some additional funding to local government. The

government and I will not stand by and watch the Commonwealth dud the people of Queensland yet again. Its proposal, which the Deputy Prime Minister launched without any consultation with the ministers or the other governments, will not have my support, because Mr Anderson cannot renegotiate the 1991 agreement with the support of the governments if he walks away from the Commonwealth government's funding commitments to roads in Queensland.

**Ms BOYLE:** In November 2000 the Commonwealth government announced a four-year Roads to Recovery program, with the bulk of the funding to be provided direct to councils. For Queensland councils I understand that this equated to \$62.5 million per year over four years. Has the state government reduced its road spending as a consequence and, more importantly, has the federal government honoured its annual Roads to Recovery commitment to local government?

**Mr BREDHAUER:** Not only has the bulk of the contribution gone to local government; the bulk of the contribution has gone to other states. It is a good example of the issues that I was talking about in my answer to the last question, because there is a vast gap between what the Commonwealth promised and what it delivered. What the Commonwealth government did with the Roads to Recovery process was to try to bypass the states, I guess, in our strategic planning for Queensland's road network needs. In Queensland we work very closely with local government on addressing the strategic needs of our road network. We are well advanced with another project which will further cement the relationship between local government and state government in Queensland. I know that local government in some other states does not enjoy the same close working relationship with the state government that we do here. In fact, we have the best in terms of our relationships with local government.

But, not content with ripping money off the state government through the national highway system in Queensland in this year's budget, the federal government also has reneged on almost \$20 million of funding to local government. As with our Pacific Highway reconstruction program, most of the local governments have actually spent the money because they were told it was committed by the federal government. The federal government has, as I say, reneged on \$20 million of funding. In terms of the Pacific Highway reconstruction program, when the member for Gregory was the Minister for Transport and Main Roads, the federal government agreed that that money could be spent on the M1 between Brisbane and the Gold Coast. We spent the money on the basis that the federal government would continue to repay it to us, but now the federal government is saying that it will not repay the money it had previously promised. The Commonwealth has done the same to local government. Local government is angry about it. The Commonwealth is collecting billions of dollars in fuel tax from motorists around Queensland and the rest of the country, but it is ripping off the people of Queensland with its attitude to road funding. At the Australian Local Government Association conference in Toowoomba in a couple of weeks I will be making my views very well known. I do not know whether Deputy Prime Minister John Anderson will be there. I think Senator Ron Boswell, his parliamentary secretary, will be. I will be giving it to them chapter and verse about their persistent reduction in funds. Queensland's loss in this year's state budget equates to \$70 million less for roads than had previously been provided. No state can sustain those kinds of losses without cutting back on roadworks when in fact we should be getting more, especially for our national highways.

**Mr LIVINGSTONE:** In the MPS the minister indicated that \$236.5 million of the road program is to be devoted to maintenance of the state-controlled road network and that funding for rehabilitation in the program maintenance was budgeted to grow in aggregate by an average of five per cent per annum from 2000-01. Is this increase committed to in this year's budget?

**Mr BREDHAUER:** I touched on this in answer to a question from Vaughan a few minutes ago. There was a Parliamentary Public Works Committee inquiry into road maintenance funding in Queensland a couple of years ago. We worked very closely with the Parliamentary Public Works Committee. One of the conclusions it came to was that we should spend more of our available dollars on maintaining our existing road asset rather than continuing to build new roads. As I said previously, the state controlled road network in Queensland is the state's biggest single asset and we have a responsibility to make sure that it is maintained properly. In 2000-01 we gave an indication that we would increase by five per cent per annum the funding allocation to maintenance work to assist overcome the backlog in maintenance. Yes, we have continued to deliver that through this year's budget. In 2002-03, \$323 million will be spent on rehabilitation, programmed and routine maintenance. It is important to recognise that the programmed maintenance is being capitalised for accounting purposes and included in the capital acquisition

statement. The key issue for us is that we are continuing to direct more of the funds towards maintenance because that is where we regard the area of highest priority to be.

**The CHAIR:** The state government maintains that more than 50 per cent of road funding is spent outside the south-east corner. Can you please outline what level of roads expenditure was spent in south-east Queensland versus the rest of Queensland in 2001-02 and what is planned to be spent in 2002-03?

**Mr BREDHAUER:** Yes, I can. When the Premier, Peter Beattie, asked me to be the Minister for Transport and Minister for Main Roads in 1998 he said he wanted a person from regional Queensland to make sure that the road and transport needs of regional Queensland were well looked after. There are a lot of transport initiatives, public transport in particular—Citytrain and so on—available to people in south-east Queensland that simply are not available to people in rural and regional areas. That is why I have strongly pushed for an increasing proportion of the roads budget to be spent outside of south-east Queensland.

In 2001-02, 43 per cent of the regional expenditure was spent in south-east Queensland and 57 per cent was spent outside south-east Queensland. In 2002-03 the state budget provides for regional roads program allocations of \$860 million, with indicative funding allocations of 44 per cent in south-east Queensland and 56 per cent outside of south-east Queensland. It is important to realise, though, that there is an impact from federal national highway funding in that allocation. We are continuing to spend significantly more of the available funds outside of south-east Queensland because of the importance of regional roads.

I have mentioned previously that our Roads Implementation Program sustains employment for 17,000 people in roads and associated industry. It is a particularly important provider of employment to local government, especially the smaller local governments in electorates such as Gregory, Cook, Charters Towers, and Mount Isa—a few of those. If they did not have our money they would not be able to continue to employ their road gangs. We have continued to make that commitment to those councils and that is why we are continuing our very strong commitment to spending more of the budget outside of south-east Queensland than we do in south-east Queensland.

**Ms BOYLE:** What level of road funding is directed to improving access to Aboriginal and Torres Strait Islander communities in this budget; and would you also advise the committee how this commitment supports the government's Cape York initiatives?

**Mr BREDHAUER:** It is important to realise that Aboriginal and Torres Strait island communities are among the most remote and those for whom access is the most significant issue of any of our communities in Queensland, particularly those communities that are in places such as the gulf, Cape York, the Torres Strait islands and in remote parts of south-west Queensland. Under the Transport Infrastructure Development Scheme we allocate \$10 million per year to improve road access to Aboriginal and Torres Strait Islander communities and to assist local road upgrades. When we undertake Transport Infrastructure Development Scheme projects with other local governments it is done on a dollar-for-dollar basis. In the Aboriginal and Torres Strait Islander communities, because they do not have a rate base, we do it on a grant basis. We work out the road program and we pay for 100 per cent of the project.

Just to give an example of the funds that are allocated in this year's budget, we have allocated \$630,000 to complete the access road from the medical centre to the barge ramp on Badu Island, \$615,000 to continue sealing the Hopevale access road, \$470,000 to upgrade sections of the Darnley Island road, \$780,000 to pave and seal the Dauan Island access road and various others. We are also continuing to spend money on a number of other island and Aboriginal communities. It is an important part of working in with the partnerships project; through our Remote Communities Services Unit, when we work in remote communities we use those as training opportunities. So we take on trainees from the Aboriginal and Torres Strait island communities as we undertake these projects. We try to give them a reasonable level of skills, in some cases, in plant operation but in other cases just in road maintenance and road construction techniques. By doing that, when we move on to do other projects we leave a reservoir of capability in those communities to undertake maintenance work in the future. It is about providing training and employment opportunities directly when we do those projects. However, it is also about those councils being able to employ their own people to do their own maintenance work in the future, rather than constantly having to bring in qualified people from outside their community to undertake that work.

**Mr STRONG:** Is it true that the federal government has reduced its commitment to safety and urgent minor works on our over 4,000 kilometres of national highways, for which it has full funding responsibility?

**Mr BREDHAUER:** I am stumped that it would actually reduce funding for safety and urgent minor works. I cannot understand the thinking of the federal government. Our budget allocation for 2002-03 is \$10.1 million, which is not a lot of money when you think that we have about 4,000 kilometres of national highway network. Last year we had \$12.53 million for safety and urgent minor works for 4,000 kilometres of road, and this year it has been cut by \$2.43 million. We have had about a 15 per cent cut in our funds for safety and urgent minor works. This pays for things such as intersection improvements, noise barriers, lighting, widening, shoulder sealing, improving drainage, signage, and heavy vehicle stopping areas so that heavy vehicles can rest. They are significant issues for us and the reduction is inexplicable. It is also important because a lot of these projects are smaller projects and they are projects for which local governments qualify for the exemption from a tender process. Because they are smaller projects they are below the threshold for having to go out to public tender so they are jobs that we can consider giving to local government.

The reduction in the safety and urgent minor works projects will reduce safety. It will prevent us from undertaking urgent minor works. It will also have a further impact on local government on top of the reduction of Roads to Recovery funds which I was talking about previously. Once again, I do not know where the federal government is coming from on this stuff. Vaughan, if you could have a talk to John Anderson at some stage about why Queensland is being singled out in this way I would appreciate it very much. I know Queensland is very important to him in the politics of the National Party. It would be a good thing for us to get a fair go.

**The CHAIR:** Thank you, Minister. The next block of 20 minutes will be from opposition members.

**Mr JOHNSON:** Minister, I refer to the decreasing funding for assets maintenance on page 2-17 of the MPS and to the implications of the findings by the High Court regarding nonfeasance in the Brodie case. Can you inform the committee if any assessment of the ramifications of this legal precedent to the operations of the Department of Main Roads has been undertaken? If so, will you give this committee an overview of the implications and will you make this review available to the parliament?

**Mr BREDHAUER:** Let me just say that there is no reduction in road asset maintenance. As I just said, we are contributing more of the available dollars for road asset maintenance—that is, an increase of five per cent per year from 2000-01. So it is not true to say that there has been a reduction in funds for road maintenance. In respect of the nonfeasance issue, the Department of Main Roads in Queensland has led the coordination of the Queensland government's response to the issue. As you are aware, it is not just a concern for the Department of Main Roads; it is also a concern for the Department of Local Government because of the local government issues. It is also a concern for Justice and Attorney-General.

Main Roads is currently reviewing the adequacy of its management practices in the light of the High Court decision and considering recommendations to improve those practices, recognising that local governments may not be as well positioned as state road authorities to respond to the changed liability rules. I have announced that an additional \$2 million under the Transport Infrastructure Development Scheme will assist local governments in improving their asset management capabilities through the Main Roads/Local Government alliance. But we are also looking to a national response, because it will impact on all road authorities—federal, state and local.

There were two parts to your question. First and foremost there is not a reduction in road maintenance in Queensland. We are in fact spending an increasing proportion of the available funds on maintenance, as I have already outlined. Secondly, in respect of the nonfeasance issue, there are differences of opinion about the extent to which the High Court's decision does or does not affect responsible agencies like Local Government and Main Roads. We are coordinating that response. We are also looking to the development of a national response. We ourselves are looking for ways in which we can improve our performance but also to ways in which through our alliance we can help local government to improve their capabilities.

**Mr JOHNSON:** Minister, I want to return you to a previous question in relation to bridge audits. How many bridges have condition reports been done on? For how long do you envisage the upgrading project to be required, because \$5 million, as you well know, will not go very far?

**Mr BREDHAUER:** It is \$5 million a year.

**Mr JOHNSON:** Yes. What is the total amount of funding allocated over the duration of the period assigned for the upgrades?

**Mr BREDHAUER:** At this stage we have got a five-year Roads Implementation Program which anticipates that \$5 million a year will be spent. So over five years I expect that we will spend \$25 million in accordance with the intentions of the current Roads Implementation Program on bridge upgrades. But, as you know, the Roads Implementation Program is done every year once the budget comes down. Mrs Peut and her team are working on the development now of the next Roads Implementation Program which we normally launch around about November. If there is a need to increase funds, then that would be considered in the context of the next RIP. If there is a need to extend the program to an additional year, then every year when we do the next RIP it is the next five years and we work out whether there is a need to keep it going for another five years or four years or whatever it happens to be. So at this stage we are anticipating that it is \$5 million a year for the life of the current Roads Implementation Program. We will reassess that every year when we do the RIP. How many bridges have had condition reports done on them? All of them.

**Mr JOHNSON:** All the bridges?

**Mr BREDHAUER:** All the timber bridges—

**Mr JOHNSON:** So that is a DMR responsibility?

**Mr BREDHAUER:** Yes. All the timber bridges have had the condition reports done on them. We are prioritising the need for work. We believe that the \$5 million allocation that we have made is enough to enable us to do the bridges. That \$5 million is a special allocation in the southern region. I mentioned that previously. There is also money which is spent as part of the regular budget which is about \$7.5 million a year on rehabilitation, replacement and repairs.

**Mr JOHNSON:** Minister, if you could just be a little bit more specific with regard to that first question—that is, how many bridges have condition reports been done on? What would the number of those bridges be? Have you got any idea?

**Mr BREDHAUER:** I will get the answer for you. I do not know how many timber bridges there are on the 32,000 kilometres of the state-controlled road network in Queensland.

**Mr JOHNSON:** Fair comment.

**Mr BREDHAUER:** The same as I do not know how many sleepers there are in the railway line. But we will see if we can find out for you.

**Mr JOHNSON:** Just as part of that question, and it is an important one again: what role has the Department of Main Roads had in conjunction with local governments, because local government bridges would come under that audit also, wouldn't they?

**Mr BREDHAUER:** No. We have audited state-controlled roads and the bridges on the state-controlled road network. Local government roads and—

**Mr JOHNSON:** What I am asking, Minister, is if local governments have done their own audits of those bridges in question.

**Mr BREDHAUER:** We would expect that local governments would audit their own bridges. We are assisting local government wherever we can to do that. Part of the money that we have allocated from that additional \$2 million can help to improve local governments' capability to undertake that work. We always share our systems with local government. As I said previously, we have got a strongly cooperative relationship with local government here. We assist them wherever we possibly can to identify their own requirements. The money I have talked about is for bridges on state-controlled roads. The bridges on local roads are the responsibility of local government primarily. They could apply at present under TIDS for funding in that regard, but it is also possible as a result of the alliance if we get the sign off from the Local Government Association if it ultimately supports it—and I think it will—that if those bridges are on local roads but on strategic road networks—

**Mr JOHNSON:** That is where I am coming from.

**Mr BREDHAUER:** We can direct resources to sorting those problems out. Part of the philosophy behind the alliance is that we do not worry so much about whether it is a state road or a local road; we try to look at strategic road networks and address resources to where they are required on strategic road networks.

**Mr JOHNSON:** Minister, how much direct or indirect promotional or post-production work was undertaken or performed by Cutting Edge Pty Ltd for the Department of Main Roads and what amounts?

**Mr BREDHAUER:** I am advised by the department that there is no record of any payments directly to Cutting Edge. We had a single video produced through a contract with George Patterson Bates. The total value of that contract was \$20,000. I understand that it subcontracted some of that work to Cutting Edge. I do not have the dollar figure on how much that was. It is clearly less than \$20,000. Cutting Edge seems to do post-production work on these videos. I think the figure I gave before for Queensland Transport was a \$12,000 job—about \$12,198 or whatever the figure was—and about \$2,000 went to Cutting Edge. So if you took that proportionately, with a \$20,000 job you would probably expect about \$3,500 if it was providing similar services. I do not actually have the figure, but it was not a direct payment by DMR; it was actually a contract that we had with another supplier, and that supplier subcontracted it to Cutting Edge.

**Mr JOHNSON:** Minister, I refer to the efficient and effective transport output performance at page 2-19 of the MPS and to the Transport 2007 document which recognises the congestion caused to the Gateway Bridge toll gates and to the need for planning for a possible duplication of the Gateway Bridge by 2007. What is the present intention of the government in relation to a river crossing on that corridor?

**Mr BREDHAUER:** I think I have pretty much answered that question in relation to the earlier one, but if I could just follow it up—the growth in traffic on the Gateway has not reached previous projections in either of the last two years. So when the initial estimate of reaching capacity in 2007 was assessed, that was based on a particular level of growth in traffic. That level of growth in traffic has not been achieved, so we do not expect that the toll plaza will reach its capabilities in 2007. We allocated \$1 million over two years in 2000-01 to undertake the planning study for the second crossing. I would anticipate that planning, design and construction of the new river crossing—the whole project—will take between six and seven years. But on current projections for growth in traffic on the Gateway Motorway, the Gateway Bridge will continue to have the capability to meet the traffic requirements until the new project is finished. Does that answer your question?

**Mr JOHNSON:** Thank you, minister. I refer to allocations in relation to the Douglas arterial road, CS56, and to media comment that the Townsville City Council and the developer are proposing to take legal action against the department on the basis that land resumptions associated with the project were undervalued by \$7 million. Minister, can you advise the committee what the full estimated cost of this project is?

**Mr BREDHAUER:** Let me say what I can advise you. First and foremost, we own the land. The land was resumed in 1994, okay? There is a suggestion in the *Townsville Bulletin* today -

**Mr JOHNSON:** All the land, was it, in 1994?

**Mr BREDHAUER:** Yes. The particular parcel of land that the Townsville City Council and Delfin are referring to was a parcel of land that we acquired from the Townsville City Council in 1994. I understand that it subsequently on-sold that land to a company called Rhianna. Then Defence Force housing got involved, and subsequently Defence Force housing sold the land to Delfin. So Delfin's association with this is circuitous, but let me say that we have been trying to get it to put in a claim for compensation on the land for some time without success. We will try to negotiate appropriate compensation with it; but as is the case in all land resumptions, if it is not happy with the offer it can go to the Land Court and take its chances. I think that is what will happen in this case.

I am concerned—and I have departmental officers checking out the issues for me—about whether agreements that we reached with the Townsville City Council in respect of this land have been honoured. I am not going to suggest that they have not been at this stage because I am still getting advice from the department on it. The only threat to the full construction of this project is the fact that the feds are still \$7.9 million shy of funding the full allocation. This is future national highway. It is the federal government's responsibility. We gave a commitment that because it was not due to be constructed for another 10 years, but because of increased traffic flows in the area, we believed it needed to be done now. So we were prepared to pay for the prematurity costs. We put our \$7.2 million on the table on the basis that, as future national highway, the federal government would fund 100 per cent of the rest. We told it some time ago that the 1999 figure that it based its original estimate on had increased, but it is refusing at this stage to fund the balance of the \$7.9 million, although we are continuing to negotiate with it. We believe that we

have made adequate provision for compensation for this land within the budget for the project overall, but ultimately that will be determined by the Land Court.

**Mr JOHNSON:** Minister, I refer to the Brisbane port road project capital statement on page 59 and to the increase in the cost of the project from \$110 million in the 2000-01 statement to \$121.3 million shown in the 2000-05 RIP. How is it possible that this project has now blown out to \$195 million in a little over 12 months? You will recall that at these same hearings last year—

**Mr BREDHAUER:** You asked the same question. Yes, I do recall that.

**Mr JOHNSON:** I am on another point here. I suggested to you that a Major Projects Unit be established in the department to properly cost these projects. Will you also tell the committee if you have done anything in the last 12 months to address this issue?

**Mr BREDHAUER:** What a great idea. That is why we have done it.

**Mr JOHNSON:** Good on you.

**Mr BREDHAUER:** But let me say that with the port road we went through a process which ended up in an alliance with a number of companies. There was an increase in the initial estimate for the cost of the project, but we signed a contract at \$196 million for the construction of the road. The project is currently proceeding on time and on budget with the signed contract. There has not been an increase in the cost of the project in the last 12 months. When you asked me this question last year, it was about the difference between the initial estimate and the actual contracted amount. Yes, there was a difference there. There has not been an increase in the expected cost of the project in the last 12 months. In fact, it is travelling on time or perhaps a little better than on time. I am always reluctant to predict that we will finish it within time and within budget, but at this stage I think I am safe to say that we are running a little better than on time and on budget.

But the answer to your question about whether we have a Major Projects Unit is yes, we have established a Major Projects Unit. Part of the wash-up of the M1 construction project was what we called a Pacific Motorway learning group. Subsequent to that we have established a group within Main Roads which is providing us with reliable estimations for major projects.

**Mr JOHNSON:** Minister, what provision has been made this year for remedial treatment to address the concerns of residents along the M1 in relation to increased noise? I will remind you that I was inspecting those noise barriers and I got bitten by that white-tailed spider.

**Mr BREDHAUER:** How is the spider?

**Mr JOHNSON:** It was not funny, I can tell you. What would have happened if I had died?

**Mr BREDHAUER:** I tried to ring you in the Longreach Hospital and you would not take my call! I wanted to wish you well. I wanted to tell you I was missing you from the campaign and to get back in harness quickly.

In terms of the money that is available for noise works on the Pacific Motorway, I do not think there are any additional allocations at this stage. The independent reports were done. Bob Drew and Eddie Peters from our south-east region have been working through the issues with Residents Against Increased Noise. We have indicated that we would go back and do assessment of the noise levels and further monitoring and that where the noise levels exceeded the allowable limits we would undertake appropriate mitigation works. We are continuing to work through the Samuels and Brown report. They were the independent consultants we engaged at the request of RAIN, I have to say, and we are working through their recommendations.

I am advised that funding is provided in this budget to complete all road traffic noise barrier work required to achieve the impact management plan criteria. I do not have a figure for that, though. I have to say, it is only a small amount because most of the noise barrier work has already been done. In overall terms that would be a relatively small amount, but we have given a commitment that we will continue to monitor noise levels and that if they reach the intervention level we will undertake mitigation works.

**The CHAIR:** That concludes questions from opposition members.

**Mr LIVINGSTONE:** Page 55 of Budget Paper No. 4 identifies funding for the Brisbane urban link planning study. Could you please advise the committee of the current status of this study and whether the local amenity of this corridor will be improved as a consequence of the study?

**Mr BREDHAUER:** The Brisbane urban corridor is part of the National Highway system between Ipswich and the Gateway Motorway. It includes Granard, Riaweena, Kessells and Mount Gravatt-Capalaba roads. The federal government, as part of the National Highway, has full

funding responsibility for it although, as I have mentioned previously, it is preparing to walk away from that responsibility. It does suffer from congestion and delays with queuing at all major intersections along the route. It has a high accident frequency and there are noise and amenity issues for residences adjacent to the link. It has a lot of commercial traffic as well, but when we did the origin and destination study a couple of years ago we identified that about 75 per cent of the heavy traffic has either a local origin or local destination. So it is physically not possible to divert that traffic.

We made representations to the Commonwealth government—mainly at the insistence of the member for Mansfield, I have to say—and we have had \$3 million allocated for the study that you mentioned, the Brisbane urban link corridor study. The planning study will assist the federal and state governments in understanding the traffic demands on the major National Highway link and enable appropriate transport solutions to be determined. The scope of the study has been agreed, but we have also agreed that greater emphasis should be placed on the need to involve social planners in the study process to ensure that wider community impacts are fully investigated, understood and then acted on.

There is a substantial component of business activity in the corridor and we need to address their needs. Although the transport efficiency needs of industry and local business are important to the regional economy, these needs must also be considered within the context of the overall traffic safety improvement and competing local amenity issues.

The study commenced on 18 April. It is looking at a range of issues. A cross-agency reference group has been established to ensure that key agencies have maximum input into the study. An issues identification series of 13 public meetings with key stakeholders, including residents, users and industry, was held from 17 April to 1 May this year. Feedback to date from attendees regarding the consultation process has been positive. So the local community is responding positively to the work we are trying to do.

Many issues have been raised—noise, air pollution, truck volume and size, driver behaviour and tolls. Obviously tolls is an issue that has been raised. It is proposed that a draft report of the study findings will be available for public display by the end of this year, following which recommendations will be made to federal and state governments. One of the issues that has been raised by Gary Hardgrave and some of the Logan City councillors is the removal of the tolls. It is very well to canvass that issue, but removal of the tolls would cost the state government \$780 million. It is an attempt by the federal and local governments to cost-shift on to us. Frankly, we cannot afford it.

**Ms BOYLE:** Minister, I know that you have made strong representations over a long time to the federal minister seeking his approval to declare the Peninsula Development Road as a road of national importance and, of course, for some federal funding to be provided towards its progressive upgrade, I gather on a 50-50 basis over a 20-year time frame, which is hardly asking the Commonwealth to move quickly. Would you tell us to what degree you have had success? Has the road been so declared? Was there any money in this federal budget in 2002-03 for its contribution?

**Mr BREDHAUER:** First and foremost, the federal member in our neck of the woods, the member for Leichhardt, has deliberately misled, if I can put it that way, people in the Cape York Peninsula on two counts. Firstly, he has told people that I have not made a submission to the federal government for the declaration of the Peninsula Development Road as a road of national importance. Secondly, he has said that the federal government has in fact declared the Peninsula Development Road a road of national importance.

For the benefit of the committee and other people who might benefit from this information, I first wrote to John Anderson on 10 November 2000. I sent him a copy of the strategy that we had worked up, after a long period of consultation with local stakeholders and the community, for the Peninsula Development Road and advised him that I would follow up with a formal application and submission for declaration as a road of national importance. I then sent the submission asking for the declaration of the road of national importance on 27 December 2000. I got a letter back from Anderson saying that they had declined, so I wrote to him again on 15 March 2001 asking him to reconsider. Because Entsch kept running around saying that we had not put in a submission, I sent the submission again—effectively a third time—on 2 August 2001.

The Commonwealth has all of the information that we can provide it with on which it could base a decision to declare this road as a road of national importance. I say up front that it is a state controlled road. We have the primary responsibility for it. We have been investing heavily in

that road over recent years—tens of millions of dollars. But we were invited by the federal member to submit it for consideration as a road of national importance. He built up everybody's expectations. So we did all the work that we needed to do and we have put in the submission.

Basically, the Commonwealth has allocated \$5 million over three years, providing that we match it. I said in the budget that we have no problem with that. We will match the allocation that it has made. Main Roads has developed a \$10 million, 50-50 package of works which it believes will improve road conditions between Lakeland and Laura and provide benefit to Cape York communities within existing available funds. The proposal essentially comprises two projects listed in years 3 to 5 of the current Roads Implementation Program; namely, bitumen sealing of the coal seam to Laura River and Hells Gate to Kennedy Creek.

The project proposal and a further formal request for declaration of the PDR as a road of national importance were submitted to the Commonwealth Department of Transport and Regional Services on 27 June 2002 for the federal minister's formal approval. So we have actually done everything we can. The Commonwealth now has a project proposal it can agree to, and we can fund those two projects. But I also asked it to reconsider the PDR as a road of national importance again on 27 June 2002. I hope it can see its way clear to doing it.

**Ms BOYLE:** I have another question from the north—a very important issue for my electorate—the six-laning south of Cairns. You know what a problem that has been up there and how difficult that project has been. Again, we have pressed the federal government about it. I gather that they have made some allowance in the budget for some works south of Cairns. Can you detail all of this for us—what is going to be done, when it is going to be done?

**Mr BREDHAUER:** You and I have campaigned for the funding on this from the federal government since prior to your election to parliament. It has been a long, hard road. The difficulty that I have is, yes, there has been some money allocated and I have to put on the record that I appreciate the funds that have been provided for the six-laning from Portsmouth Road to Sheehy Road. Unfortunately, the problem that we are going to continue to encounter is their refusal to fund the associated works, including the service roads. In other parts of Queensland where they have been upgrading the National Highway, they have included service roads. There has been a suggestion that the state government should pay for them. They are, in fact, local roads, but they are part of the National Highway upgrade. By refusing to fund the service roads, what they will do is significantly reduce the life expectancy of this work that is being undertaken on the highway south of Cairns.

On 5 April, Main Roads officers met with the federal Department of Transport and Regional Services to reinforce the need for federal funding for the service roads and the southbound high-speed double left-turn lanes from Portsmouth Road to the Bruce Highway. To date, there has not been any indication from the federal Department of Transport as to whether this briefing session altered its earlier views or not. The matter is subject to ongoing negotiations.

Tenders for the six-laning works were called on 8 June. Those tendering were asked to provide tenders for two work scopes, one which includes the associated works and one which does not. An amount of \$13.5 million for the southern Cairns road was announced as part of the federal budget on 14 May 2002. The project is now likely to be completed in the first quarter of 2003, but we are still trying to resolve the issue in relation to the service roads and associated works.

Once again, I make a plea to the federal minister not to short-change the people of Cairns, and the southern Cairns area in particular. To get full value out of this project, they have to fund the whole project, not do it on the cheap, which seems to be what they are planning to do at this particular point in time.

**The CHAIR:** Would you please advise whether there is any funding provided in this budget for works on Booral Road in my electorate of Hervey Bay?

**Mr BREDHAUER:** Yes, I can. As you know, the road runs south of Hervey Bay and joins the River Heads Road, which is the main route to the Fraser Island barge at River Heads. The road carries a mix of local and tourist traffic.

The safety of Booral Road has become a local issue following a fatal accident in September 1999. That accident created a significant amount of adverse publicity and media coverage. Main Roads carried out a road safety audit on this section of Booral Road in October 1999 and completed minor improvements to signage and visibility in March 2000. Widening of this section of the road took place in July 2001, partly funded by the federal government through the Regional Black Spot Program.

The current Roads Implementation Program provides indicative allocations in three years from 2003-04 to 2005-06 for the following improvements: intersection works at the River Heads Road and initial planning and design work associated with the intersection of Booral Road and Boundary Road, including the curve to the north. So in the current Roads Implementation Program, we have those identified and I would be hopeful that we will be able to see those funds allocated for that in the next Roads Implementation Program.

**Mr LIVINGSTONE:** I understand that the Ipswich Motorway is a key National Highway funding priority for the state government and certainly one of great importance to people who live in my area. Would you please advise the committee on the current status of the Ipswich Motorway planning study in terms of scope and timing? What funding is provided in this budget to complete this work?

**Mr BREDHAUER:** Thank you for the question. I know that you are aware that we have recently gone out to the public with the display for our plans to upgrade the Ipswich Motorway. I have to say that it is long, long overdue. The Ipswich Motorway has been one of the most heavily trafficked and, dare I say, the most dangerous roads in Queensland for many years. I say 'most dangerous' because it has probably the highest accident rate of any road in the state.

We have been arguing with the Commonwealth over funding for an upgrade to this road for some time. The money, which they announced last year—\$64 million—will help, but I have to say that in the overall upgrade of the Ipswich Motorway, \$64 million is only just a start. There will need to be considerable additional investment beyond that \$64 million if we are going to continue to meet the needs of that corridor. That is another reason why the people of Ipswich, in my view, should be concerned about plans that the federal government has to walk away from the funding of the National Highway, because they will be walking away from their responsibility for further upgrades of the Ipswich Motorway.

As part of the 2002-03 federal budget, cash flows for the Ipswich Motorway have been substantially reduced—from the federal government this is—over each of the next three years and the bulk of this Roads to Recovery allocation deferred until 2005-06. That is 12 months after this four-year program is scheduled to be completed. So this is another area where the Commonwealth government has deferred expenditure on the National Highway, which will delay further upgrades on the Ipswich Motorway.

The matter is subject to further negotiations. The planning study for the major upgrade is being carried out in two phases. Phase 1 was completed in late 2001 and identified that the facility of six lanes is required to achieve a consistent level of service along the motorway. Phase 2 has commenced and is scheduled for completion late in 2002. As I say, the information was publicly made available earlier this week. So we are doing whatever we can within the constraints of what the government has available to it.

**The CHAIR:** Thank you.

**Mr BREDHAUER:** Can I just clarify a couple of issues? Do you mind if I go through a couple of issues that you have raised and that, hopefully, will mean that we do not have to come back to you. The difference between the budgeted figures published in 2001-02 to the estimated actual 2002-03—with respect to Queensland Transport, there was a deferral of funding related to the finalisation of the Brisbane City Council Queensland Transport memorandum of understanding on the inner northern busway, which achieved \$15 million from the BCC. That money was carried over. With respect to QR, approximately \$66 million has been deferred to the current year. There are a number of small amounts—over a dozen or so projects which make up this amount.

With respect to ports, the major difference reflects the netting off of money that was credited to the Ports Corporation of Queensland in regard to the reimbursement from the proceeds of leasing the Dalrymple Bay coal terminal, particularly the capital expenditure of stages 5 and 6. There are obviously no negative employment impacts as a result of this work.

Over and above this, there is an amount of expenditure on other ports, primarily Brisbane and Cairns, which has been deferred to the current year, but the bulk of that is the DBCT stuff. So in the ports area, there is some money from Queensland Transport; there is about \$66 million in QR projects, which was deferred; and there are some ports money. So probably your initial assessment is around about right, but the bulk of the ports money relates to DBCT. In respect of the Gateway Bridge, the cost of construction in 1986 was \$140 million. The total debt as at 30 June 2002 is \$455 million. I can give you the number of timber bridges in the southern region, if you like? That is 211. Initial condition reports have been done on 100 per cent of them. I think that probably answers all of the outstanding issues we had.

**The CHAIR:** Thank you, Minister.

**Mr BREDHAUER:** Can I just say thank you to all of the members of the committee, the committee secretariat, Hansard, other parliamentary staff, my departmental officers and the QR people who have supported me through this process, and especially a big thankyou to my own staff, who have worked very hard in conjunction with everybody else to bring this estimates committee hearing to, I think, a successful conclusion.

**The CHAIR:** That does, indeed, conclude the committee's consideration of the estimates for Transport and Main Roads. Thank you, Minister, and your advisers for your assistance. Thank you also to Hansard for covering the hearing today. Incidentally, the transcript of this part of the hearing will be available on Hansard Internet Quick Access web site within two hours from now.

I would also like to particularly thank the secretariat research director, Rob McBride, executive assistant, Lynn Knowles and research officer, Maureen McClarty for their tremendous assistance to the committee during this process. That concludes the committee's consideration of the matters referred to it by the parliament and I declare this public meeting closed.

**Mr JOHNSON:** I would just like to echo the Chairman's remarks. To you, Minister, your departmental staff, Queensland Transport, Main Roads and also Queensland Rail staff, a very sincere thanks from the opposition members for a job well done.

The committee adjourned at 7.01 p.m.