

## THURSDAY, 12 JULY 2007

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### ESTIMATES COMMITTEE C—TRANSPORT AND MAIN ROADS

#### Estimates Committee C Members

Mr JD O'Brien (Chair)  
Mr MW Choi  
Mr PR Gray  
Mr RG Hopper  
Mr VG Johnson  
Ms KJ Jones  
Miss FS Simpson

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#### In Attendance

Hon. PT Lucas, Minister for Transport and Main Roads

##### **Queensland Rail**

Mr S Cantwell, Chief Executive Officer (Acting)  
Mr B Bock, Executive Manager, Strategy and Corporate Affairs

##### **Queensland Transport**

Mr B Wilson, Director-General  
Mr J Noye, Deputy Director-General (Acting)  
Mr C Jensen, Deputy Director-General  
Mr T Philp, Manager, Management Accounting  
Mr C Nash, Director, Rail Services

##### **Department of Main Roads**

Mr A Tesch, Director-General  
Mr L Ford, Deputy Director-General  
Mr F Vardanega, General Manager, Capability, Strategy and Finance  
Mr D Bletchly, Executive Director, Corporate Office  
Ms M Smith, Director, Executive and Cabinet Services

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#### **Committee met at 8.30 am**

**CHAIR:** Good morning. I declare this hearing of Estimates Committee C now open. On behalf of the committee I welcome the minister, departmental officers and members of the public to the hearing. I am Jason O'Brien, the member for Cook, and the chair of this committee. I would like to introduce the other committee members: Mr Vaughan Johnson to my left, the member for Gregory, who is the deputy chair; Michael Choi, the member for Capalaba; Phil Gray, the member for Gaven; Kate Jones, the member for Ashgrove; Ray Hopper, the member for Darling Downs; and Fiona Simpson, the member for Maroochydoore.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2007 for the portfolio areas of the Minister for Transport and Main Roads; the Minister for State Development, Employment and Industrial Relations; and the Minister for Natural Resources and Water and Minister

Assisting the Premier in North Queensland. The committee will examine the portfolio areas in that order. The committee will suspend proceedings for morning tea from 10 to 10.15, lunch from 1.30 to 2.30 and afternoon tea from 4 to 4.15. There will also be a 15-minute break at 11.45 and 5.45.

I remind all of those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in proceedings. In this regard, I remind members of the public that under standing order 206 the public may be admitted to or excluded from the hearing at the discretion of the committee.

The committee has resolved that media may take television footage without sound and photographs during the opening statements by the chair and each minister and for a short period at the commencement of each changeover in departments. The committee has also resolved that the proceedings of the hearing will be broadcast by the Parliamentary Service via the service's web site and to receivers throughout the parliamentary precinct.

I remind members of the committee and the minister that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of each of these time limits. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after an extension of time has been given.

The standing orders require that at least half the time available for questions at today's hearing be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between government and non-government members. Government members and non-government members will take turns asking questions in blocks lasting approximately 20 minutes, commencing with non-government members. The committee has given leave for non-committee members to ask the minister questions. In that regard, Tim Nicholls, the member for Clayfield, will be participating in the hearing on this basis. I ask advisers to the minister to identify themselves when they first come forward to answer a question if the minister refers a question to them so that Hansard can record their name. Before we begin, I ask that any mobile phones and pagers be switched off or switched to silent mode.

I now declare the proposed expenditure for the Minister for Transport and Main Roads open for examination. The time allocated is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, under standing order 177 you are able to make an opening statement that does not exceed five minutes. Do you wish to make a statement to the committee?

**Mr LUCAS:** Good morning, Mr Chair, and fellow committee members. I again welcome the opportunity to report on the record investment the Beattie government is making into road and transport infrastructure and services in Queensland. In a large decentralised state like Queensland, it is vital that we fund the infrastructure to keep our population connected and our economy growing. That is why the state government will, on average, spend more than \$100 million every single week to a total of \$5.53 billion this financial year building and maintaining the highways, busways, ports and rail links that keep Queensland moving. That is a massive 39 per cent increase in funding over last year.

A total of \$2.48 billion has been set aside for Queensland Transport's rail and ports capital and a record \$3.05 billion for Main Roads, RoadTek and Queensland Motorways. Major transport projects funded in 2007-08 include \$129 million to complete the \$333 million Inner Northern Busway extension with a tunnel under the CBD linking the Queen Street bus station via Roma Street to the existing busway, \$85.8 million to continue building the Boggo Road Busway from the Eleanor Schonell Bridge to Ipswich Road and \$50 million towards the planning and construction of the Eastern Busway from the Princess Alexandra Hospital to Buranda, which was announced earlier this week by the Premier.

Today, I am also announcing that the state government will boost bus funding by \$27 million in 2007-08 to provide 148 new buses, which will deliver around 5,000 extra services a week in south-east Queensland. It is this commitment to continued investment that has already seen public transport patronage increase by more than 40 million trips per annum since 2004 up to 163 million public transport trips yearly—a boost of more than 30 per cent since 2004.

Our investment goes further than just in public transport. This budget contains a major boost to coal haulage and extra funding for ports across the state, particularly to the major export ports of Brisbane, Gladstone, Abbot Point and Townsville. Specifically, we are injecting \$163.4 million into new and upgraded locomotives and wagons to haul coal to ports in central Queensland, \$103 million to take the port of Gladstone to its full capacity of 68 million tonnes per year of coal exports, \$187.6 million for rail track duplications and passing loops to allow for increased coal haulage and \$28 million to continue the \$116 million expansion at the Abbot Point Coal Terminal.

Our massive \$1.28 billion rail and investment will boost rail infrastructure and expand rolling stock across Queensland. In the regions, urban bus fares will be equalised and services boosted. Security cameras will be installed in more taxis and wheelchair accessible taxis will be rolled out to more communities. Commercial shipping and our estimated 215,000 recreational boats and their users will benefit from almost \$30 million for better facilities, including maritime safety and essential services.

Our road network will receive a 54 per cent boost to funding in 2007-08. This financial year, the state government will spend a record \$3.05 billion on roads infrastructure. Major initiatives this financial year include, in south-east Queensland, \$691.2 million towards the Gateway upgrade project, worth \$1.8 billion; \$179.7 million to complete the \$543 million Tugun bypass; \$133.7 million of a total of \$290 million to duplicate the Sunshine Motorway; and \$163.5 million of federal funding to fund the upgrade of the Ipswich Motorway.

In regional Queensland, there is \$18 million to complete the four-laning of the New England Highway north of Toowoomba at a total of \$27.3 million; \$12.3 million to continue the upgrade of the Roma-Taroom road to support oil and gas development of a total of \$29.7 million; \$36.1 million under the Accelerated Road Rehabilitation Program to continue widening the Dawson Highway; \$15.4 million to Hospital Bridge in Mackay, of a total of \$33.6 million; and \$58.3 million on stages 2 and 3 of the Townsville ring-road of a total \$119.3 million, with \$79.5 million of that being federal money.

With the number of vehicles on Queensland roads almost doubling in the past 14 years, I am also announcing today new congestion busting measures on top of our infrastructure spending. By the end of the year, Main Roads will put an extra two traffic response units on Brisbane streets to complement the four already operating. Two new units will debut on the Sunshine Coast and another two will be added to the Gold Coast to increase its fleet to three. These congesting busting bumper cars help clear accidents and breakdowns faster, reducing the potential for secondary congestion related accidents by up to 40 per cent.

We are spending \$14 million over the next four years to keep south-east Queensland moving with better management of delays caused by traffic accidents. An amount of \$7.7 million of that money will go to a rollout of a GPS based priority system for emergency vehicles and buses. This will give police, ambulances and fire appliances the power to talk to our traffic management system to be given the green light at signalised intersections across the metropolitan area.

I would also like very briefly to note the work of RACQ, my transport staff and stakeholders of the young drivers package. This is the beginning of that journey, but a very important step.

**CHAIR:** Thank you, Minister. We will commence our examination with Queensland Rail and statutory authorities within the minister's portfolio followed by the Department of Transport. The first period of questioning is allocated to non-government members. I call the member for Gregory.

**Mr JOHNSON:** My first question is in relation to coal rolling stock. I refer to the *Capital Statement*, Budget Paper No.3 at page 1-35 where it is identified that \$163.4 million will be spent in 2007-08 towards new and upgraded locomotives and wagons to support the increased haulage of coal plus \$187.6 million to provide track work to allow additional haulage of coal. In your answer to a question on notice on 6 June 2007 you stated that the Dalrymple Bay Coal Terminal will have its capital program completed by December 2007. As the current QR fleet is being fully utilised, according to question on notice No.1, how are you going to increase capacity when your program will not be completed until the end of 2008?

**Mr LUCAS:** I thank the honourable member for the question. I am advised by the acting CEO of QR, Steve Cantwell, that the rolling stock that we currently have on order and are having built will deal with the increase in capacity that will be available through the current expansion of Dalrymple Bay. Of course, this is not the end of it. QR is currently looking at the addition of further rolling stock to our coal network.

It is very important that we have a look at what has been achieved in our coal network over the period of time that we have had this recent growth. I want to make this clear at the outset: coal is very, very important to the Queensland economy. We want to export as much coal as possible. We want the coal industry to get out there and dig it out and we want to work cooperatively with them. They are a very important stakeholder in Queensland and through our government owned ports, private ports and also QR we will work with them.

Nearly 20 years ago—in 1988-89—Queensland exported 59 million tonnes of coal. In 2006-07 our coal exports have risen to 153 million tonnes. That is a 142 per cent increase since 1988-89. That is now worth \$17.8 billion. Since 2001 alone, coal exports increased by 30 per cent to 117 million tonnes. QR is now the world's largest coal export rail transport provider. In 1991 it hauled 67 million tonnes; in 2006-07, it hauled 164 million tonnes—a 144 per cent increase over that period.

Coal demand is expected to grow by 35 per cent to 2009-10 to 220 million tonnes per annum and 68 per cent by 2014-15 to 258 million tonnes per annum. The current committed expenditure by the port GOCs and QR totals \$2.9 billion. When you add in the private sector, it is a total of \$4.4 billion all up.

By 2011, QR's locomotive fleet, for example, will increase by 56 per cent on its current fleet. Indeed, a number of those locomotives are being upgraded or totally rebuilt in Australia, but we are not afraid to go overseas to get them because there is a worldwide growth in the industry. Siemens is manufacturing a number of locomotives for us in Germany.

The Goonyella system to 2009-10 will invest \$342 million in expanding the rail network from 85 million tonnes to 129 million tonnes per annum, including the \$1.97 billion port expansion at both Hay Point from 90 million tonnes to 140 million tonnes per annum. They are private sector ones.

**Mr JOHNSON:** I refer to the Abbot Point Coal Terminal, which is referred to in the *Capital Statement*, Budget Paper No. 3 at page 1-37. I refer you to where it identifies \$28 million for the Abbot Point Coal Terminal stage 2 expansion. Can you give the components of this expansion and what benefits and upward tonnages are envisaged without the missing link in place?

**Mr LUCAS:** Absolutely. Indeed, one of the things about Abbot Point—and it is, of course, a port owned by the Ports Corporation of Queensland—is that of the cost per tonnage increases in capacity, whether you are looking at Gladstone, the Hay Point terminal or indeed Abbot Point, Abbot Point is actually the cheapest way to expand the capacity of coal network. The current stage of expansion at Abbot Point will deliver a modest level of expansion, but we are having a number of rail links at the moment up the coast to deal with that.

The next stage of expansion at Abbot Point, however, really depends ultimately on the construction of the northern missing link. The northern missing link, when fully developed, will link the Goonyella and the Newlands rail systems. At present, the coal at Abbot Point predominantly comes from the Newlands system. The Newlands system is a lighter system—a diesel system. The Goonyella system is massive.

It is very important that the government plays a role in relation to these things. Whilst these expansions are essentially privately funded, they are also expansions that need the government to encourage them. For example, the coal industry does not always speak with one voice. The coal industry could not really agree at that early stage on the northern missing link. So the state government, with QR, got in there and said, 'We will do the study, we will identify the land required that we need to build that northern missing link.' That has been done, but there are very encouraging noises from the coal industry with respect to now going to the next stage, which is the detailed design.

Ultimately, of course, we need a commitment from them to build the northern missing link. It is commercial infrastructure. Unless they do that, I have to fund that out of money for teachers, hospitals, nurses and police, and the coal industry has never required that to happen. What they will do at the appropriate time is commit the funding to that.

When that northern missing link is fully developed, it will have more capacity than Abbot Point could ever handle actually. The Abbot Point expansion is designed to take that into account. The current stage 2 expansion up to 21 million tonnes per annum is at a cost of \$116 million and will be completed by September this year. Constructing that 69-kilometre northern missing link will allow 35 million tonnes per annum, worth over \$4 billion per annum, to be exported through the port. If that goes ahead, we will need to spend about \$430 million on the Abbot Point expansion to achieve a terminal capacity of 50 million tonnes per annum. Might I have a brief extension, through you, Mr Chair?

**CHAIR:** You have 15 seconds left.

**Mr LUCAS:** I will take a bit longer than that but not much longer. Is that all right?

**Mr JOHNSON:** Yes.

**Mr LUCAS:** I want to finally add this. One of the advantages that Abbot Point has is that it is a brownfields site in a greenfields location. The honourable member would be aware that there is not a lot surrounding it so it does not have the issues that other ports might have with the local community being nearby. It also has plenty of space where it can scale-up its existing production.

**Mr JOHNSON:** Thanks, Minister. Minister, I refer you to the capital statement in Budget Paper No. 3, page 135, and a previous question in relation to the purchase of new locomotives from rolling stock for \$163.4 million in 2007-08. I understand that QR National is subject to loading delays at some mines because of the sequencing time available for loading and consequently trains are departing from mines with some trains not loaded or fully loaded with 100 per cent payload. I am advised by authorities that one train recently came into Hay Point-Dalrymple Bay with 70 empty wagons on it. Have you discussed this with the mine management in question? How does QR National envisage addressing this problem?

**Mr LUCAS:** First of all, as I indicated before, we want to export as much coal as we can. Everybody concedes that the enormous growth we have had in demand in our coal industry is unprecedented. Indeed, it has caught everybody by surprise, including the coalmines. Having said that, we have had an enormous growth already in relation to the coal industry.

We understand that we all need to work harder to do better—whether that is the state government, QR, the port operators or the mine operators. Indeed, one of the reasons the state government has embraced the O'Donnell review of the Goonyella coal supply chain is so we can have a very experienced and well-respected person in both the rail and the mining industry see what we can do to further extract capacity out of that coal system. Stephen O'Donnell has been very assiduous in talking to the various stakeholders. I regularly talk with the coal industry. In fact I met one of the major stakeholders in the coal industry last week to talk about various issues. They were not Goonyella issues but they were various issues that they wanted to talk to me about and obviously I will not go into those.

Clearly, if trains are being underloaded that is a concern, but there are a number of factors involved in that. Remember this: when you have a coal system which you are trying to export the maximum amount of coal out of, if there is a loading issue at a particular mine and you delay a train to deal with that loading issue, you therefore deprive an unloading slot potentially at the coalmine itself. In the coal system, trains are like moving conveyer belts and in many instances it is far less efficient to stop the moving conveyer belt to actually load it in. Certainly, when it comes to crew rostering times, if workers need to leave because of safety issues and work issues in relation to their hours of work, that needs to be dealt with.

Secondly, on a number of occasions, if mines are not able to fully load, a train will need to go whether it is fully loaded or not because that train has to cycle through to come back the other way. As I indicated, there are issues of maintaining a schedule, mine breakdowns, coal loading issues, sticky coal, watering and the like. Similarly, if there is a locomotive fault, that sometimes requires adjustment of the train load because trains are a bit different to cars; they have multiple engines in them. If there is a particular issue with a particular traction motor, you can still work but maybe not to the full level.

We are working on these issues. It is a key challenge for us to maximise our coal export. We have had those issues but those issues are not an issue of QR alone. We do want to make sure we get the maximum out of our system.

**Mr JOHNSON:** Thank you, Minister. Minister, I refer you to MPS 1-3, 'Rail, Ports and Aviation Systems'. You recently stated that the government was committed to keeping rail services operating regardless of cost. As western freight rates have more than doubled in the last year and base small freight rates on most western lines tripled from \$10 to \$20, will you honour your commitment and regardless of the cost reduce the exorbitant freight charges you have forced on western Queensland residents and businesses?

**Mr LUCAS:** I thank the honourable member for the question, and it is an important one. I welcome the member for Clayfield who maybe has a different view to you and me when it comes to regional passenger services. I am not sure what his view is on regional freight and the future but we might find out more about that later. I am more than happy to take a question from him in that regard.

We supply, off the top of my head, about \$29 million a year—I am happy to be corrected on the figures if I am wrong—to above rail regional freight subsidies. Additionally, we also provide \$83 million to subsidise rail track to the west of the Great Dividing Range through the transport service contract. No other state does that. I make that quite clear: no other state does that. That is three trains a week from Brisbane to Charleville and return, two trains from Charleville to Cunnamulla and return, two trains from Charleville to Quilpie and return, two trains per week from Toowoomba to Dirranbandi and return, one train from Maryborough to Monto and return, and four trains per week from Rockhampton to Longreach to Winton and return.

You asked me whether I will intervene in relation to what QR charges for its freight prices. The short answer is, no, I will not. One of the issues where I think there was valid criticism in the past—and I have made this clear to QR—was when there were not regular CPI increases of what QR was charging on a freight basis. That led to a situation where for a number of years CPI was not increased but then it said to its customers that all of a sudden it needed to be caught up again. That is always difficult, harsh and onerous on your customers. So now QR far more regularly addresses the issues of how it might be more customer friendly when it comes to what it is charging.

I will say this as well, and you would know this from your former profession as a livestock transporter. In the cattle trade industry, QR essentially competes against people in livestock. QR in its freight business potentially competes against heavy vehicle operators. QR has every right to make sure there is transparency in relation to the charging regime that it implements for its freight services. We also need to have a bit of an understanding in rural communities that it is no longer efficient to stick a small parcel on the back of a train. Trains are not designed to do that, and of course we have our Q-Link services that provide road haulage as well. The Queensland government current subsidy for the freight service is about \$1 for every 52c of revenue collected, and that is after the recent increase in freight rates. Might I have a short extension to deal with that, Mr Chair? I have almost finished.

**CHAIR:** It is actually up to the questioner, not me.

**Mr JOHNSON:** Yes.

**Mr LUCAS:** I have no problem with us putting that subsidy in. For example, there is \$1 for every 52c. If I hop on a Citytrain, there is \$2 for every \$1 that I am paying. I do not think people in the bush are getting anything they are not entitled to, but we have done a lot of work and we will continue to do a lot of work about how people in the bush can best get those subsidies, how that is best attracted to them. But they have also got to play a role, I have to say, in their communities and support QR services.

**Mr JOHNSON:** Thank you, Minister. My colleague the member for Clayfield will ask the remainder of this bracket of questions.

**CHAIR:** I welcome the member for Clayfield to the committee's proceedings here this morning. The committee has resolved to allow you to appear here today. I would just ask that in future you put your request in writing please.

**Mr NICHOLLS:** Thank you, Mr Chair. I thank the committee for leave and I take your advice there. Minister, we have regularly heard about the 44 new trains coming into service and we have already seen two on the Gold Coast line, be they only half the size that was originally promised. In the capital statement last year on page 152, you identified spending of about \$289.5 million. In this year's capital statement on page 143, the same line item is present at the same price yet directly beneath it is an additional Citytrain rolling stock line item of \$249.690 million. Can you explain the additional funding for that and why it was not included in last year's budget and why it now appears as an additional item in this year's budget?

**Mr LUCAS:** My officers will correct me if I am wrong, but you will recall that originally we announced that 72 trains would be built essentially. I will get the dates for you in a second, but we announced a tranche of 24 and then another 20 to make 44, and of course that extra money relates to the second order that has now come into the budget. So the second amount of money is for the second order.

I want to elaborate a bit on those car sets. First of all, the population of south-east Queensland will increase by 43 per cent from 2006 to 2026. In the first three years of operation of TransLink, our patronage has grown by over 30 per cent, representing an extra 40 million trips per annum. Citytrain passenger demand has increased by 9.1 per cent across south-east Queensland between 2006-07 for the morning peak period.

In relation to those carriages, 48 have toilets for long-distance journeys. They have advanced CCTV—and the member for Gaven joined me on a journey on one of the early ones—improved lighting, electronic passenger information systems and improved visibility between carriages. You can actually stand down one end and see through to the other end. Full delivery of the carriages will increase the size of the fleet by 30 per cent and around 10,000 additional seats. The first allotment of 12 was introduced on 28 May and 18 June. The remaining 60 carriages of the first 72 will be implemented between now and January 2009.

There have been recent timetable changes. On the Ferny Grove line, three services have been upgraded to a six-car train and one new service has been added—the 4.32 pm from Central to Ferny Grove. On the Cleveland line, two services have been upgraded to a six-car train and one new service has been added. On the Ipswich line, one service has been upgraded from a three-car train to a six-car train. On the Beenleigh line, one service has been upgraded to a six-car train. On the Caboolture line, two new services have been added. On the Sunshine Coast-Nambour line, two services have been upgraded from a three-car to a six-car train.

**CHAIR:** It is time now for questions from government members. I call the member for Gaven.

**Mr GRAY:** Minister, I refer you to page 1-11 of the MPS which refers to oversight of transport GOCs. Can the minister please outline the scope and extent of Queensland's port network and the benefits which it brings to the state's economy?

**Mr LUCAS:** Absolutely. It is prescient, I might add, that we have essentially one committee member from as far north as you can get in this state, another member from nearly as far south as you can get in this state and one member from about as far west as you can get in this state. So this committee is a broad cross-section of what we are talking about.

Our port network consists of 20 ports along the east coast and the Gulf of Carpentaria which services our export and import industries. Government combined with private sector investment provides an effective and efficient gateway to our trade. Between 2001-02 to 2005-06, we spent \$1.26 billion in capital works on state ports. This year a further \$840 million is approximately expected to be spent, and as at March 2007 our total port asset base exceeded \$4.44 billion.

In 2006 the total throughput for our Queensland ports was 223.8 million tonnes, which is an increase of 1.3 per cent from 2005-06. Obviously coal is our major bulk export, and it increased by seven per cent. Bauxite throughput continued to increase by six per cent—this is port, not railings—from 2006 due to world market demands. Sugar exports decreased due to continued drought conditions and changing land use, but with sugar prices now returning to a reasonable level and with hopefully a bit of rain too I hope to see some increased sugar exports.

Grain throughput decreased by 40 per cent due to continued drought conditions, with smaller amounts available for export due to local demand of feedstock. That certainly is a concern for our grain industry. Throughputs in Queensland ports are expected to increase in line with world economic forecast growth of 4.1 per cent, from 252.5 million tonnes in 2006-07 to 298.9 million tonnes in 2010-11. Economic growth in China is expected to remain strong.

Ports are our major employers in regional areas, with 1,282 port employees in 2006. Some of our major port investments between 2001-02 to 2005-06 have been the Port of Brisbane Corporation seawall in my electorate; the Whimbrel Street car precinct for car unloaders and detailers from overseas and other terminals, \$22 million; the Bundaberg Port Authority port deepening project and construction of a TAFE marine facility. Bundaberg will now be a division of the Port of Brisbane Corporation to give it that extra oomph.

Mackay, being of course a critical airport, received \$3.5 million in 2001-02 for airport terminal refurbishment and in 2006-07 a fertiliser storage facility. In Gladstone we have the construction of the Gladstone Port Access Road and ongoing works on the RG Tanna coal terminal, \$223 million. There is the Ports Corporation of Queensland, which the chairman would of course be interested in. There is Abbot Point, Hay Point et cetera. There is the Weipa south channel widening, \$11.6 million; Karumba dredging; in Townsville, upgrading to berths and development of a port industrial park; and in Cairns, the Cityport north precinct, \$55 million, and stage 1 of the international terminal works, \$36 million.

**Mr CHOI:** Minister, I refer to page 1-3 of the MPS, which refers to port paid investment in spending on rail infrastructure and rolling stock. Can you please outline QR's performance on delivering its capital works program and the strategies to achieve these in an environment of widespread construction activities? Because I have had problems for two months in even getting a concreter.

**Mr LUCAS:** QR has approximately 13,500 staff and around \$11.8 billion in assets. Its revenue for 2006-07 of \$3.18 billion is up 40 per cent on what it was in 2003-04. Network Access manages 9½ thousand kilometres of narrow, standard and dual-gauge track in an open access environment. I know a couple of federal ministers do not understand that we have competition on our rail tracks in Queensland. If they want to stand in front of a PN train going up the north coast line and think it is not there, then they will do so at their peril.

The 2007-08 budget includes a record \$1.278 billion in rail investment for Queensland in addition to the \$212.2 million being spent by QR on interstate projects. This compares to the \$709.8 million forecast in 1997-98. QR's estimated actual capital expenditure in Queensland for 2006-07 is \$1.16 billion—\$322 million or 38 per cent more than QR's published budget of \$837.75 million due to a significant number of new projects being accelerated and approved in late 2005-06 after the 2006-07 state budget deadline.

I want to make this point, too. Any of the track stuff that is done on the coal network is a regulated investment and needs to be approved by the QCA. QR National hauls 183 million tonnes of freight per annum or 400,000 tonnes per day. In 2005-06 coal exports totalled 143 million tonnes worth \$17.8 billion, which is a 53 per cent increase in value over previous years.

I should digress briefly to say this about the coal industry. Clearly we have to take greenhouse issues very seriously, and we are doing that with our investment in clean coal and the like. Eighty-one per cent of the value of our coal exports in Queensland is for coking coal. Coking coal is used to make steel. I am not aware of any substitute worldwide for making steel other than through coking coal. You can generate electricity with gas. You can generate electricity with solar or whatever else, but you cannot make coal with solar as a carbon source for the steel. That is why we will continue to need to invest in our coal network as well as of course the clean coal encouragements.

The coal rail system is being expanded to meet forecast demand. I have spoken a little about that earlier. In December 2005 the government approved a \$521 million investment in additional coal rolling stock capacity as part of a procurement strategy to meet future market demand. This included the purchase of 20 new electric locomotives, 15 new 4000-class diesel-electric locomotives, upgrading of 17 older diesel-electric locomotives, and acquisition of 870 new coal wagons. This new rolling stock will provide Queensland a raiiling capacity of 208 million tonnes per annum by July 2008.

QR passenger services carried over 54 million people in 2005-06 on Citytrain and Traveltrain services. That is up 11 per cent on the previous year. So we have a broad swathe of infrastructure projects in our Citytrain network including Salisbury to Kuraby, Gold Coast projects, Mitchelton to Keperra, and Caboolture to Landsborough.

**Ms JONES:** Minister, I refer you to page 1-9 of the MPS, which refers to the purchase of long-distance passenger rail services. Can you inform the committee of the benefits which these services deliver to Queensland and, in particular, regional Queensland?

**Mr LUCAS:** Yes, I am more than happy to do that because I believe that if you live in Wynnum or Clayfield and expect to get government support for rail services, then if you live in Mount Isa or Charleville you might expect to get a government level of support as well. The Traveltrain subsidy was approximately \$126.5 million in 2006-07, increasing to \$129.6 million in 2007-08. That is a subsidy per

passenger kilometre travelled of 49c in 2006-07 and 50c in 2007-08. We make no apology for subsidising regional and remote rail services in Queensland, just as we subsidise rail services for commuters in Brisbane. Traveltrain does provide access to Queensland's regions and choice for people living in smaller communities.

It is not just that. We also support long distance air services and we support long distance bus routes. I note there was some comment made recently about increases in subsidy levels, and I will make two points about that. The chief increase in subsidy level was with the introduction of the Cairns tilt train. While the subsidy increased substantially in 2002-03 reflecting the \$138 million cost of the tilt trains, within each of the TSCs since that date subsidies have largely reflected CPI increases. If you want to can the tilt train, that is your view. I do not.

The new 2006-09 contract will also include a significant increase in the cost of diesel, which is well outside the control of either the government or QR, and an increase in capital investment to undertake work required to meet the provisions of the Disability Discrimination Act standards. The DDA standards are also then factored into the per kilometre subsidy. This year's budget has \$19 million for modifications required under the DDA to the tilt fleet and design of modifications to the traditional fleet. By 31 December this year the four tilt trains will be largely compliant within the provision of the narrow gauge Queensland environment, and we are considering compliance requirements for the traditional fleet.

I want to say this: with the western services, in particular, the cost of those services per passenger is very high. The Mount Isa service, in particular, and the Charleville service do have very high passenger levels of subsidy, but I make this absolutely clear: we do not withdraw services without community support. If the community in Mount Isa or Charleville wanted to talk to us about doing something different with the money that we are putting there, that is fine. But we are not going to be turving it out of them on an economically rational basis. They have a right to deserve services.

I had some costs somewhere of some regional airfares, I think. But it is one thing to say that you can get a flight from Brisbane to Cairns on a discount basis—might I have an extension, please?—for \$120 or \$170, but the cost of a business class seat on a tilt train from Bundaberg to Mackay is roughly equivalent to the airfare that you can get. Indeed, given that many of our customers—indeed, I think about half of them—are pensioners on concession travel, essentially free travel, they do not have the alternative to secure that discount fare. We are part of a government that says that it is not just people who can afford to fly on aeroplanes who have the ability to do that, but also people commuting from one region to another—from Bundaberg to Mackay, not just Brisbane to Cairns or Brisbane to Townsville, where there is a clear economic benefit to them.

We will continue to support our regional train services. Clearly the Ansett collapse did affect what was happening, and similarly with the 9-11 issues, but our patronage has been fairly constant now. I think there was a slight decline in services. I have the figures here. Between Bundaberg and Mackay, Traveltrain's fare of \$150.70—I was right with the fare—for business class on the tilt train and \$102.30 for an economy seat, and \$160.60 for an economy berth on the Sunlander compare favourably with the cheapest available Qantas-Jetstar fare of \$160 for travel on 12 July when purchased in late May 2007. Virgin does not fly into Bundaberg. Let us remember what the member for Clayfield said on 4BC—

I think inevitably we are going to have a look at how long these services can remain viable and how long they can remain being provided. I mean, at a cost of \$130 billion a year to the taxpayer, really a responsible government has to say, 'How can we manage that cost down?'

The point is that if it is good enough for Clayfield and Wynnum it is good enough for western Queensland.

**Mr Nicholls** interjected.

**Mr LUCAS:** You should go for a trip on it.

**Mr Nicholls** interjected.

**CHAIR:** Member for Clayfield, I would remind you that you are a guest of this committee.

**Mr Johnson** interjected.

**Mr LUCAS:** I am trying to start a blue between you two, not between him and me. It might be a proxy brawl. Instead of Bruce and Jeff there might be Vaughan and—

**CHAIR:** Order, please. The next question is from me. I have the floor, so order please. I refer to one of your previous answers where you mentioned the Cairns Port Authority and also to page 1-9 of the MPS. Can you please inform the committee of the role that the Cairns Port Authority plays in supporting the economy and the promotion of the city of Cairns?

**Mr LUCAS:** Absolutely. The Cairns Port Authority is a wonderful government owned corporation. Like Mackay, I suppose, it started out really as a seaport and now its predominant business is as an airport. But it manages and operates the Cairns International Airport, the port of Cairns and the Cityport waterfront precinct. It employs 157 staff. Its profit last year was \$19 million with an investment of \$49.6 million on capital projects. The 2006-07 figures are expected to improve further.

The airport and the seaport combined are responsible for directly and indirectly generating more than \$3 billion in the regional economy, particularly in the tourism/development sector, and are linked to more than 42,000 jobs—over one-third of all the jobs. If you did not have the airport and the seaport, Cairns and far-north Queensland would be fundamentally different, and it would take you a lot longer to get home, Mr Chair.

The port authority is actively working with tourism authorities and airlines to promote Cairns. In 2007-12 we are expected to spend \$368 million in airport infrastructure and \$55 million in seaport infrastructure. The seaport throughput in 2006-07 is estimated to be 1.1 million tonnes. Again, differently from our other ports, a lot of its business is tourism business, which is good margin business. Again, it is very labour intensive for the industry. That is great stuff. Some 700,000 visitors to the Great Barrier Reef will travel through that port in 2007-08. It is an extensive shipbuilding and repair industry, with increased focus on the superyacht industry.

The Cairns International Airport is the largest regional airport in Australia. People seem to forget about this. You talk about Brisbane, Sydney, Melbourne and Perth as the big airports. Then you go to the next big ones and you are talking about airports like Cairns, Coolangatta, Townsville and Rockhampton. We have a lot of airports. We are the only state with more than one international airport. In 2006-07 there are four million estimated passenger movements or 49,236 aircraft movements in 2005-06. There is a considerable investment in expanding and upgrading the domestic terminal by the end of 2008 at a cost in excess of \$140 million. The expansion is designed to cater for passenger growth to the year 2015 including reconfiguration into a common user facility and reconfiguration of the ground transport area with dedicated set-down areas.

The central terminal area will be expanded to provide an increased circulation area. The front of the terminal will be expanded to provide adequate terminal depth for passenger queuing and processing. There will be two 90-metre carousels in the baggage make-up. Checked bag screening will be incorporated with three multiview machines and a single level 4 receiving area. Baggage reclaim is expanded with four large carousels included. In the central terminal area, passengers will use covered walkways and ramps to aerobridges to board aircraft. There will be a dedicated set-down road for taxis. That is all in the domestic terminal.

The international terminal is also being upgraded with critical infrastructure works including checked baggage screening and improved retail and commercial opportunities. Some 30,000 jobs are estimated both directly and indirectly upon the operation of it. There is more than I can say but we have other questions.

**CHAIR:** It is actually 9.15 which was the time we had allocated for Queensland Rail. We have Department of Transport between 9.15 and 10 o'clock. Do you need to change staff or anything?

**Mr LUCAS:** Unless there are any other things you want to ask, that is fine. What I will do is I will excuse QR, but just in case there are any other questions that arise I will ask them if they would mind not leaving and we will see them off the premises later.

**CHAIR:** While they quickly change over, I call the member for Clayfield.

**Mr NICHOLLS:** Thank you, Mr Chairman. Through you to the minister: minister, the Enough is Enough road safety campaign mentioned on page 1-19 of the MPS appears to have not had a positive effect in reducing the road toll last year. The latest figures are that as at 9 July fatalities are up by 33 on the same time last year. Can you give us an understanding of why that campaign is being continued if it appears to be having little or no effect on the road toll and why additional funding using the same type of media for the drink-driving campaign entitled 'Nick' will be continued?

**Mr LUCAS:** I thank the honourable member for the question. The road toll, of course, is a serious and significant concern for all of us. The increase is something that is of great concern to us. As at midnight Tuesday, 10 July the road toll was 193 and that is 32 greater than the same period last year. We have in Australia, and indeed in Queensland, made significant gains in the past with respect to our road toll. During 1973 our road fatality rate was 32.2 fatalities per 100,000 population. If that figure was the same at the present time it would be 1,305 fatalities. We need to understand that we have driven that toll down. However, in saying that, it has trended up in the last couple of years and that is simply not satisfactory.

To relate that to a criticism of the Enough is Enough campaign is simply not correct. Road safety advertising is far, far more complex than the honourable member would suggest. Indeed, if it went downward, would I simply say, 'Okay, we will have no other initiatives on road safety advertising'? No, that is not the case. The evidence is that road safety advertising makes a difference. We use a broad variety of road safety advertising techniques. I know that there has been some comment about what people would call shock advertising. Of course, the shock of looking at a shock advertisement is far less than the shock of actually having a loved one killed or killing someone in a car accident. But we have a broad variety of campaign mechanisms that we use.

For example, we are about to launch a motorcycle advertising campaign. That will be directed towards motorists to make sure that they keep a lookout for motorcyclists. One of the ads that I really like is from Nick Benjamin, who we used in our young drivers DVD, who actually sits there very calmly talking about what happened to him as a result of a single-vehicle accident in which he was made a paraplegic. So it is more than that. We will continue to advertise, but I also want to say this: when you have a look at our young drivers package—Australia's most revolutionary young drivers package—obviously it will be phased in as people flow through the system, but do I expect that it will totally eliminate young driver fatalities? No, I do not. I wish it would, but it will not do that. But it is the start of a journey. Double demerit points for second and subsequent speeding offences; a mobile speed camera program; later this year we will have the drug-driving program; already the work we have done on Q-Ride and we will do even more; roadside drug testing; fixed speed cameras; and alcohol interlocks are all on the horizon over the next year.

**Mr NICHOLLS:** Can I refer the minister to page 1-22 of the Ministerial Portfolio Statement and your output measures there. The top two items refer to road fatalities per 100,000 of population and hospitalised road casualties per 100,000 of population. I note that in your targets for 2007-08 you have changed the targets to actually reflect the outcomes for 2006-07. So rather than try to achieve those targets you have just adjusted the targets to reflect the reality.

Can you explain what factors you consider might be contributing to that increase in road toll, the investigations that are underway to determine the cause of the climbing road toll and whether you in fact have any hope of reducing the road toll per 100,000 population rather than just readjusting the target figures to reflect what is occurring on the roads?

**Mr LUCAS:** Absolutely. Again I welcome the honourable member's question. Queensland's rate—and Australia's rate—in terms of world levels is a fairly good rate, but my target—I know that we have those targets in the MPS—is zero. That is my target for road fatalities. Remembering this: when you have a look at our adjustment for vehicle kilometres travelled, bearing in mind the level of use that we have, that actually favourably compares Queensland to a number of other states as well. I will get you some information on that a bit later. What are we doing? Well, we have the young drivers package that is revolutionary in Australia. We have our investment in, if you like, repeat high-risk offenders. All of the evidence is, for example, that unlicensed drivers are at massively greater risk of killing themselves and others when it comes to speeding. We have our expansion of the mobile speed camera program and our introduction of fixed speed cameras. Speed cameras were introduced by the member for Gregory with our support and they have proven a life saver when it comes to the road toll. Increasingly, technology allows us to put cameras in better places. Fixed speed cameras will allow us to cover places such as tunnels and the Gateway Bridge where it is not safe to operate them.

You talked about some of the other areas that I am considering looking at in the future. Motorcycles are of great concern to me. We have managed to be quite bipartisan, I think, on the issue of young drivers. Because both honourable members here with responsibility are sensible and mature people, I know that we will work together on motorcycles. The problem with motorcycles is this: first of all, they are increasingly powerful and it is not as easy to supervise someone on a motorcycle. Travelsafe have made a number of recommendations with respect to Q-Ride. I think they are worth very serious consideration. Secondly, one of the great concerns that we have is that there is a 28 per cent increase in motorcycle registration at the moment. A lot of them are people who are the age of the member for Clayfield and myself who get a bit of money—

**Mr NICHOLLS:** Young hooligans, Minister.

**Mr LUCAS:** Older hooligans perhaps—young old hooligans, early mid life, whatever you want to call it—who get a bit of money all of a sudden—the economy is going very well—buy a high-powered motorcycle and may not have ridden a motorcycle for 10 years. It is a bit like me with a boat driver's licence. I probably operate a boat once every 12 months or two years. I drive a car almost every day. So that level of unfamiliarity is a big issue. We have to continue to work on this. We will continue to push and push and push to lower our road toll.

**Mr NICHOLLS:** Thank you, Minister, I appreciate the information. I refer you to page 1-33 of the MPS and the reference to the consultation for the Queensland plan for the protection of surface transport operations from terrorism and the recent call by your department for tenders for the review of five transport hubs. There was no security clearance required in any of the documents issued in relation to the review of the security plans for those five hubs, nor was there a security clearance required for the briefing provided by the department this month. In fact, if you could provide your name and supply a phone number you could attend the briefing in relation to that particular plan. Can you please advise what progress is being made in the review of the plan for the protection of surface transport operations and how such an open door policy in relation to the tender for the provision of those services can be supported in light of recent events?

**Mr LUCAS:** One of the things about surface transport security is that Queensland in many respects leads Australia. One of the things that the Prime Minister has said is—

Despite our strong counter-terrorism capabilities, Australia cannot be complacent. The terrorist threat to Australia is very real. It will be with us for some time. There can be no guarantees that we will always be able to prevent an act of terrorism.

I agree with the Prime Minister. One of the issues that we found in the past with our research is that Queenslanders do not think that terrorism and a terrorism incident can happen here. We have 12,000 kilometres of rail track in Queensland. They do not think it can happen here! We, of course, have not only relied on the things that we are doing for transport on public awareness but also issues in relation to transport facilities. In relation to public awareness, the federal government has its jigsaw ad. We shot our own ad to complement the national terrorism hotline, which is the one where people are at the railway station and the kid notices the bag. Shortly we will have another advertisement along those sorts of lines coming out. Queensland is playing its role. There has been a high degree of interest from other states in our advertising campaign.

For example, in relation to bus operators we are the ones who provided the bus training module package for our TransLink operators and there has been significant interest in using that module elsewhere. Mick Palmer, who is a former commissioner of the Australian Federal Police, is the Inspector-General of Transport Security and he in fact paid us a great compliment by inviting Jack Noye, who is next to Bruce Wilson here, with him on an overseas tour of world's best practice. I have also, in fact, travelled with Jack on a security trip overseas. QT and QR have expanded their CCT assets. QR has approximately 3,550 cameras at 120 stations and 2,000 cameras on trains.

DOTARS advise us on consulting with industry and security in relation to what we are doing with these transport precincts. The information that we provide is in accordance, I am told, with what DOTARS authorise us to provide. I might just ask Jack Noye to comment further on that issue and that cooperation. Not all ministers in Australia do this, but I met personally with the inspector-general. The first item on the agenda in my department's executive—you can see whether they are nodding or not—when I meet with them is transport security. That is the first item.

**Mr Noye:** Our consultation with industry on precincts in particular is being looked at by all the states and territories and, in fact, some overseas countries. We are leading the areas on that. The way we consult with industry—

**Mr LUCAS:** Might he have an extension?

**Mr NICHOLLS:** Yes.

**Mr Noye:** The way we are consulting with industry is in accordance with the Office of Transport Security, the federal office. We link very closely with them. The sorts of things we talk about with industry are fully supported by DOTARS and Mick Palmer, the inspector. So not requiring security clearances from industry is the way we consult, but they know the deal with advising others. They also get to see some papers which are in confidence. So the types of things we are talking about with them are not very sensitive, but the style of things we are getting the precincts to do is improving their security, improving their emergency procedures and means they are actually talking to each other. In major precincts there are quite a few different organisations and we are actually getting them to talk together and coordinate their emergency plan. We are very comfortable with the types of things we are talking with industry about and we are very pleased with the support we are getting from industry in their whole range of emergency procedures and response.

**Mr LUCAS:** I might add that these assessments are about the physical structure of these facilities, of course, and those sorts of issues. They are not about who might be a threat to them or what the level of threat is. Of course, that is a matter for the Commonwealth government.

**Mr JOHNSON:** My question relates to Queensland ports. I refer you to the MPS 1-9, rail ports and aviation systems. Xstrata Coal is considering developing a \$20 million tonnes per year coalmine at Wandoan. One of the deciding factors will be whether Queensland can get its congested ports in order. What commitment to port access has your department and the Interdepartmental Coal Infrastructure Coordination Group given to this mining company or any other company so that they can proceed with the proposed mining project?

**Mr LUCAS:** That is an excellent question. The member for Darling Downs, as someone who lives up in that neck of the woods, would be acutely interested in the Surat Basin railway. Yesterday, the Treasurer and Deputy Treasurer, either in estimates or in the media, announced that the conditional exclusive project mandate has now been converted to an unconditional one for what we call the southern missing link or the Surat Basin railway. That consortium can now go to the next stage in looking at the construction of the southern missing link. A major part of the consortium are two of the big deposit holders there. Xstrata, which holds the vast majority of the deposit, and Anglo are part of the consortium to build the southern missing link. In addition, QR, one of the industry superannuation funds and ATEC are involved.

The initial cost of that is likely to be \$1.1 billion. But the fact that those two coalmining companies are involved in the rail part of it is a major vote of confidence. They have to get all their other ducks in line such as the basic feasibility of the mine. They are doing that. Clearly they think it will be feasible. Off the top of my head their no-go point is about a year's time or so. They will not want to pay to build a railway without having made their own decision internally with respect to the mine and securing their water supply as well. I know that they are working on that.

The other aspect of the southern missing link is the ability to export the coal through a port. The Wiggins Island project is really the next step along. That would increase export capacity by 70 to 85 million tonnes per annum, more than double its current levels. Not forgetting, there was a joint EIS between CQPA and QR. Extensive public consultation has occurred on that EIS. Substantial increases in coal tonnage through the port have the potential to impact locally. That is why we need to go through that EIS process.

We expect the supplementary EIS report on Wiggins Island in August 2007 followed by the final evaluation report to be prepared by the Coordinator-General which will establish conditions under which the project may proceed. We would need a commitment from the coalmines to do that. The manner in which it ultimately expands or is built is a matter for discussion with the coalmines. The honourable member is dead right: this is a very important project for Queensland. It has the capacity to create many many jobs. I am also very enthusiastic about the other issues. Might I have an extension of time?

**Mr JOHNSON:** Yes.

**Mr LUCAS:** I am also very enthusiastic about the other opportunities it will present. For example, we have indicated that we are prepared, provided it is a reasonable cost, to make the line dual gauge capable where we are laying new sleepers. That will not mean it will be a dual gauge line, but if we are going to put down a sleeper we will put down the sleeper with clips or the space to put another track on it. Ultimately, if the line from Melbourne to Toowoomba comes up, then we will have the opportunity to plug that in and then go up to Gladstone. That would be a wonderful opportunity for us. In those communities we have the ability to create jobs and a steel highway, an inland highway. It is very exciting for us.

The most important thing that we can do now is to make decisions now that are future proof. The hardest thing I have found as transport minister—and I am not sure whether you found it as well; I am sure you did—is actually dealing with legacy decisions of the past. We need to actually do the planning now and put aside what we can now to allow us to develop this in the future.

I am excited about this. There was a major step forward yesterday. I have spoken with Xstrata. I am certainly wanting to work with them and the other mining companies to construct Wiggins Island. The manner in which we will do it is really a matter for negotiation between government, Gladstone and the coal mines, but we are all ears.

**Mr JOHNSON:** I refer to the issue of maritime safety in the MPS. In April this year at the Gladstone port seven marine pilots called in sick which caused the port to halt operations for up to 20 hours and caused lengthy delays for several ships offshore. What contingency plans are in place at Gladstone and other Queensland ports which prevents this costly and wasteful exercise? Are Queensland ports liable for demurrage charges when the operations of ports are halted due to the lack of marine pilots?

**Mr LUCAS:** I thank the honourable member for the question. We have various pilotage arrangements in Queensland. Brisbane's are provided by a private company of marine pilots. The rest are through MSQ. There are some Commonwealth ones along the coast. There are 51 pilots in MSQ this year. The honourable member referred to a number of delays in Gladstone I think in a particular week or over a number of days. At that time two of the six pilots advised that they were ill and unavailable for work. There was a delay on that occasion. Two ships were delayed but then departed under pilotage conducted by the manager of pilotage services and regional harbourmaster. Most of our harbourmasters are pilots. So that contingency was put in place. Four ships were delayed. It was not a significant number. I will get back to the honourable member in terms of pilotage numbers.

**CHAIR:** We are out of time.

**Mr LUCAS:** I am happy to drop the committee a note with some further information on that. That is not a problem.

**Mr CHOI:** I turn to page 1-20 and 1-21 of the MPS where it refers to a broad program of initiatives resulting from the 2006 Queensland Road Safety Summit, which was aimed at reducing road fatalities and serious injury crashes. Can you please tell the committee about key initiatives to be delivered in the near future under this program?

**Mr LUCAS:** I thank the honourable member for the question. This really follows on from some of the issues that the member for Clayfield quite appropriately asked questions about. I have indicated before that in 2006 some 335 people died on our roads. As at midnight on 10 July the figure was 193 fatalities.

Whilst there has been a massive long-term trend downwards the kick upwards in the last couple of years is not acceptable and is why we will continue to drive issue raised in the Road Safety Summit to address the issue. In line with the latest National Road Safety Action Plan, Queensland has adopted an approach that places emphasis on initiatives that will create the greatest road safety improvements. For example, the young drivers graduated licence scheme was implemented on 1 July 2007. I have already been out with my 16-year-old son and filled out the logbook and had him tell me what an expert he is on driving. I asked him what his experience was—four hours of being taught how to drive and he said, yes.

All the things relating to young drivers have been demonstrated to me. We are very serious about that. Our 17- to 24-year-olds are dying at 2½ times the rate of the rest of us. All of us here understand the investment we have in our children—we love them, we go to their sport and we go to their school. It is a tragedy to see a young life lost. I hope and pray it never happens to any of my loved ones or those of anyone here. I know that other members of parliament have experienced that tragedy.

We are changing the BAC for supervisors of learner drivers to the blood alcohol concentration that they would be restricted to if they were driving. You used to be able to sit next to someone and even if you were blind drunk it did not matter. That has finished. There is a mandatory requirement for 100 hours of supervised on-road experience. The multimedia education package is very good. I think we have sent it out to everyone, but if honourable members have not got it we can forward it to them.

P-plates are back. We have restricted the use of mobile phones for all learner and P1 provisional licence holders under the age of 25. There are other restrictions on mobile phone use for passengers. There are peer passenger, high-powered vehicle and late night driving restrictions for provisional licence holders. P1 have restrictions on late night driving and peer passenger and high-powered vehicle restrictions apply to both P1 and P2.

There is a requirement to hold a provisional licence for a minimum of 12 months prior to applying for a motorbike learner licence. It is hard with a motorcycle because the person who is teaching you does not ride as a pillion passenger. It is hard to get the extra hours. The way we thought that they would at least get a good part of road craft was to have them get that road craft and understand road behaviour in a motor vehicle compulsorily for a period of time. That does not obviate the need for driver training. Might I have an extension?

**Mr CHOI:** I am happy with that.

**Mr LUCAS:** The impoundment of the vehicles of drivers who have more than one drink-driving offence or driving whilst disqualified or unlicensed or unregistered or driving illegally modified vehicles has commenced. Actions of the police in the south and north coast regions—Judy Spence's area—have already resulted in two offenders having their vehicles seized. I have no sympathy for them whatsoever.

The immediate suspension of a person's drivers licence for certain drink-driving offences was implemented on 15 December. There have been 2,310 immediate suspensions to 30 June. Of these, 125 were learner licence holders, 434 P-type licence holders, 1,404 open licence holders, 329 unlicensed and 18 on interstate or overseas drivers licences. We have drivers licence demerit points for heavy vehicle drivers for fatigue related offences. We have double demerit points for more than one speeding offence of more than 20 kilometres an hour over the speed limit within a 12-month period.

Already we have implemented a number of Q-Ride initiatives such as increased auditing and a maximum student to trainer ratio of five to one for training. Electronic stability control is an area that I am very passionate about. Queensland Transport and Main Roads now has the policy that we will only buy six-cylinder sedans that have ESC. Commodore now have that as standard. We are confident that Falcon will have that before too long. In four-cylinder vehicles there is significant progress.

In a state like Queensland with long distance driving, where single vehicle, run-off accidents are a major issue, that will give us enormous road safety benefits. Unlike airbags and seat belts, ESC actually avoids accidents in the first place. I have noticed that we have had support from the insurance industry as well. We will continue to do more and more in relation to drivers, the Safer Roads Sooner and Black Spot Eradication programs.

**Ms JONES:** My question is actually about electronic stability control, so that will give you an opportunity to elaborate on what you were just talking about. I want to specifically ask what the Queensland government has been doing to encourage greater take-up of this technology in Queensland Transport and Main Roads vehicles? In particular, I make reference to the page 1-20 of the MPS.

**Mr LUCAS:** I thank the honourable member for the question. I mentioned a bit of this just then. What I have also done is write to all local governments throughout Queensland and encouraged them to look at ESC as a technology. One of the issues that I am concerned about is that there is insufficient offering of it in four-cylinder vehicles. With four-cylinder vehicles this technology has tended to be in the higher range vehicles rather than the lower range ones. I have spoken to one of the major manufacturers in relation to four-cylinder vehicles. I think that they will be making some very exciting announcements very soon.

I say to other manufacturers, 'If you do not provide ESC then we are going to use our financial muscle and our purchasing power not to buy your vehicles.' I do not want to do that. I would rather it be standard across vehicles. Unlike the federal government, I do not have the ability to put out an ADR to make ESC mandatory on cars. We have to use our market purchasing power. We are not going to just sit out there and wait until the federal government decides it will act on the matter. I have twice raised it with the Australian Transport Council. I have also written to the Commonwealth to stress the urgency of a mandatory standard. But whilst it will not act we will.

As at 19 May this year 99 vehicles in the Transport and Main Roads fleet are fitted with ESC. Not only is it important for our fleet, but, as the honourable member would know, government cars go into the second-hand market. If we are getting vehicles with ESC when they are sold into the second-hand market, people in the second-hand market will get it. All Commodores now have ESC as standard. You do not have to option it up or get a more expensive car.

I have made representations to Ford, Toyota, Holden and Mitsubishi stressing the importance of including ESC as a standard feature as opposed to an optional extra, particularly in the four-cylinder market where there are limited options for ESC. I have also written to major insurance companies suggesting reviewing premiums to provide incentives to customers who have vehicles with ESC. Once it is rolled out fully, it will make a significant difference to the number of accidents where people are killed or seriously injured on our roads. I would urge people to strongly look at that for their own purchasing decisions.

**Mr GRAY:** Minister, as you know, I represent a young and growing electorate with a strong youth demographic. Therefore, I am particularly interested in the new graduated licensing system, and I refer you to page 1-21 of the MPS regarding its implementation. What major changes have been implemented to the licensing system for drivers under the age of 25 and what benefits do you expect to see from their implementation?

**Mr LUCAS:** I thank the honourable member for his question. I mentioned a little bit about that before, but I might say a little bit more. Between 1 January this year to 27 June there were 49 fatalities as a result of crashes involving young drivers or riders within Queensland. It is a matter for all of us, not just parents, because of the 49 fatalities 28 of them were the young drivers or riders themselves, five were their passengers and 16 were other road users—drivers, riders, passengers, pedestrians, cyclists and other people. As I said, they are 2½ times more likely than the rest of us to be killed in car accidents. I have to say this: you learn things from people on both sides of politics. Many years ago when Russell Cooper was bringing in the Police Powers and Responsibilities Act he went around Queensland doing essentially a travelling roadshow, and I thought it was a very useful exercise to talk to people and talk to the local community. I put that in my mind as a useful way of talking about these sorts of things that you really want broad support for.

I had a number of both government and non-government members present at the various seminars and consultations that we conducted. We went throughout the state. We had people turn up like the local police, the ambulance, the RACQ—Gary Fites was just outstanding—CARRS-Q and people like Mary Sheehan, Barry Watson, Ron Christie and the like. The process was very successful with 13,000 downloads of the discussion paper, 2,000 submissions received, 550 people attended forums and there were 20,000 hits to the dedicated web site. There was a very strong partnership forged with RACQ, which has been just wonderful. It has developed an electronic logbook in partnership with Queensland Transport. You can get learners things from it free of charge, there is free2go and you can join RACQ to encourage you to get support from it. There is a 24-hour telephone support for young drivers and their supervisors. With Queensland government support, it provides mapping equipment, route planning equipment and specimen drives for parents to take their young drivers on to give them a broad variety of experiences.

Key changes include lowering the minimum learner age to 16 and extending the period of time to hold their learners licence to 12 months. When I got my learners licence you could get it when you were 17 and you could technically get your provisional licence the day after. For the last few years it has been 16½ with a minimum of six months. Every other state in Australia I think is 16 with 12 months minimum. There is a really strong reason to do that, because if you have a look at the statistics as to the likelihood of being involved in an accident you are the safest of all when you are supervising a learner driver. It is actually safer for me to be supervising a learner driver—it might not be safer for my sanity—physically than when I am actually driving myself on the road. I have indicated a number of the other initiatives that I think are really important.

**Mr CHOI:** Minister, I refer to page 1-20 of the MPS regarding initiatives aimed at repeat offenders. As this group continues to be of great concern to road users, can you please advise the committee as to what actions the government has taken to address this small group of individuals who endanger all road users?

**Mr LUCAS:** Yes. I thank the honourable member for the question. One of the issues that we really have been increasingly aware of—and I think the media has played quite a positive role in this—is the behaviour of a relatively small number of people who are repeat offenders. When you look at the number of licence holders in Queensland and the proportion that they are, it is really a small group but they are causing disproportionate problems for the rest of us. For example, recidivist speeding is a major problem on Queensland roads. During the period January 2004 to October 2005, 40.8 per cent of all speed related infringements were issued to repeat offenders. During the same period, 12.1 per cent of speed related infringements for offences involving speeds in excess of 20 kilometres an hour above the limit were issued to offenders who committed more than one offence within a 12-month period.

Drink-driving recidivism is also a significant problem on Queensland roads. In 2005 there were 29,761 people detected drink driving in Queensland. Some 24 per cent of those were repeat drink drivers who had at least one prior offence during 2001 to 2005. In 2005 some 1,040 people were detected drink driving more than once during that same year. Some 321 of these drivers were detected driving within the 24-hour suspension period following their original offence, a jump of 21 per cent from 2004 when 266 drivers were detected twice in 24 hours. As a result, a range of countermeasures aimed at reducing recidivist behaviour have been introduced. I just make the point—and I read some figures to you before—that there are 2.797 million licence holders in Queensland, so we are talking about a very small number but people who are doing an enormously disproportionate amount of damage to themselves and other motorists.

A range of countermeasures aimed at reducing recidivist behaviour have been introduced. These include double demerit points for drivers or riders who commit two or more of the same offences. Double demerit points for seatbelts and not wearing of helmet offences were also introduced, as the wearing of seatbelts and bike helmets is vital to the preservation of life. There are double demerit points for drivers or riders who commit two or more offences of exceeding the speed limit by more than 20 kilometres an hour. There was a lot of discussion as to whether we should have double demerit points during holidays. Really, I have to say that that is a gimmick and that is why we do not do it because we say that recidivist speeding is a serious problem all of the time. I can remember, I think it was either two or three years ago, where we had an Easter period where there were no fatalities and then about a week later we had a whole swathe of them. So it is not just holiday driving; it is driving all of the time, and it is those recidivists who are a real problem.

There is also immediate suspension for high-risk drink drivers and vehicle impoundments, and this year we will make it harder for recidivist drivers to appeal licence suspensions. The special hardship order process will replace the current driver licence suspension appeal process. Might I seek an extension of time?

**CHAIR:** Sure.

**Mr LUCAS:** In addition, they will be ineligible to lodge an application if in the last five years their licence has been suspended or cancelled or if they have previously held a special hardship order. The honourable member for Clayfield is a solicitor. I do not know whether you did what we used to call 20A licences when you were in practise, but essentially when you have a licence suspension you will have to come back and almost face the same situation as a work licence. So there will be restrictions. You just will not get it open slather. Also, of course, there is our mandatory interlock licensing for repeat high-level drink drivers and there will be our drug-driving initiatives later this year.

**CHAIR:** With reference to page 1-32 of the MPS, how much does the government invest in regional public transport and what initiatives are being implemented in regional Queensland?

**Mr LUCAS:** I thank you, Mr Chair, as a regional member for the question. We say that investment in public transport is vital for Queenslanders regardless of where they live, and that is why investment in public transport to regional Queensland has risen to about \$26 million in 2006-07. Let us put this in perspective. The last Borbidge government invested \$4.1 million in public transport networks in regional Queensland. In comparison, our investment is \$18.6 million or 240 per cent more than it invested—way, way, way in excess of inflation, massively in excess of inflation. From 2003-04 we significantly increased recurrent investment in regional public transport. For the past three years we have also provided additional funding to operators to compensate for increasing costs such as rising fuel prices. We have seen a 35 per cent increase in passengers in Cairns—that is, an extra 800,000 passengers now use the Cairns network, equating to an annual patronage estimated at 3.1 million passengers. There has been a 31 per cent increase since 2003-04 in Townsville—that is, an extra 372,000 passengers estimated at 1.5 million passengers annually. There has been a 50 per cent increase in Bundaberg since 2003-04—that is, annual patronage has increased to 320,000 passengers.

We are investing over \$12.1 million over the next four years in an initiative that will introduce standardised bus fares. With regard to our accessible bus fund, by the end of the 2006-07 financial year there were about 89 new low-floor, air-conditioned buses. In 2007-08 the government will direct funds towards the purchase of an extra 25 low-floor buses. So when those buses enter into service, the number of low-floor buses in regional Queensland will be about 114 vehicles. Some 50 per cent of our fleet is now accessible in regional Queensland—that is, disability acceptable. The disability standards requirement for accessible public transport is 25 per cent, so we have doubled that. With regard to ferries, our investment in regional ferries has increased to \$3.1 million. I spoke about Traveltrain before, but there is also \$7.8 million for air services and the subsidy per person for air services is about \$60. I make no apology for that. We have a very decentralised state.

**Mr JOHNSON:** You want me to come to Brisbane so you can—

**Mr LUCAS:** Absolutely! We do like you to come to Brisbane. You have to come down and watch Canterbury get beaten every now and then. There is \$2.4 million for long distance bus services, with an average subsidy per person of \$20. So we have invested in that. As I said before, there is also our

investment in accessible taxis, and this is one I am really proud of. There are many small communities in Queensland that have one or two taxis that are not wheelchair accessible. We will provide at least one wheelchair accessible taxi into every town that does not have one at the moment.

**CHAIR:** It is now time for non-government questions.

**Mr NICHOLLS:** Minister, my question is in relation to the introduction of the smart card and the much-delayed smart card system. You have said in the past that you believe it will be rolled out by the end of 2007. Will it be used in line with the advertising money that has already been allocated and spent I believe as detailed on page 1-36 of the MPS? Can you advise us what plans have been put in place to ensure the rollout is carried out on time? Will the rollout be network-wide or will it be staged?

**Mr LUCAS:** My department has advised me that it will have it rolled out by the end of 2007. It would tell you that I am more than happy to insist on performance with deadlines, and this is one that I am insisting on. The other thing I insist on—and it does this assiduously—is that we do not sign off on things that we are not absolutely satisfied with in terms of performance. I will just briefly answer the issues and then go into some more detail. As my department has advised me, I expect it to have it fully rolled out by 2007 in the manner in which it is fully designed to do. Secondly, we will stage its rollout because that is the easiest way to do it, and I will talk to you in a minute about what we have done thus far.

Essentially, whilst we are in pilot on the Sunshine Coast and with Hornibrook, just about all of those buses—there would only be one or two exceptions—are actually fully wired and are using the consoles and all of those sorts of things. I am advised that the advertising dollars for the public have been deferred to this financial year when we will get out there and do that in the community. We might even send you a smart card as well when we are rolling them out and even a few other people as well, because I know that you like using public transport.

Over 1,000 cards have been issued as part of the smart card pilot, which has been running since 2006 on the Redcliffe Peninsula. Some 629 cards have been issued there and 389 on the Sunshine Coast. For these two regions, the smart card pilot is using select QR Citytrain rail stations, Hornibrook Bus Lines and the Sunshine Coast's Sunbus. As at 4 July, 642,762 tickets had been purchased worth \$1.9 million—that is, they have already been purchased from our add value vending machines. They are now turned on in all of our railway stations—the paper ones—and they have been installed at 12 stations on the Sunshine Coast—

**Mr NICHOLLS:** Was that most of them?

**Mr LUCAS:** I will tell you which have not. They are certainly operating in the ones that I have used. They have been included and installed at 12 stations on the Sunshine Coast where none had really been there in the past, and the honourable member for Maroochydore would be aware that it was a bit of an issue with people on the Sunshine Coast. There are 137 smart card QR stations and two Airtrain stations. Work has started on the Brisbane Transport bus fleet of 730 buses being prewired and we are doing the installation work, prewiring and fit-out of smart card devices in our other ones as well.

**CHAIR:** It is now 10 o'clock, which is time for morning tea. The committee will resume at 10.15 with the Department of Main Roads.

#### **Proceedings suspended from 10.00 am to 10.16 am**

**CHAIR:** It being 15 minutes past 10 the committee will resume. We will now examine the estimates of the Department of Main Roads. The question before the committee is—

That the proposed expenditure be agreed to.

The first period of questioning is allocated to non-government members.

**Mr JOHNSON:** I refer the minister to MPS page 2-4 and the 2007-08 Capital Statement, page 89 relating to the Tugun bypass. In 2002-03 the Tugun bypass was estimated to cost \$120 million, rising to \$240 million in 2003-04, \$360 million in 2004-05 and escalating to \$543 million in 2006-07. What has caused this extreme blow-out in cost and what is the value of financial contribution by the New South Wales government?

**Mr LUCAS:** I thank the honourable member for the question. One of the things that honourable members may wish to be aware of is that the parliamentary Public Works Committee is, in fact, currently conducting an inquiry into the Tugun bypass. I do not think they have tabled their report yet.

**CHAIR:** No.

**Mr LUCAS:** We will certainly await their deliberations. We have discussed at length before the cost issues with the Tugun bypass. Just to reiterate, there is a \$543 million total cost. Of that \$120 million is federal government funding. The balance is Queensland government funding and there is no funding from the New South Wales government.

**Mr JOHNSON:** None at all?

**Mr LUCAS:** None, zero. I am disappointed that that is the case. When you think about their situation you can understand but not agree with what they have done. Their priority, it would appear, is the Pacific Highway within New South Wales rather than on the border. That is really very short-sighted because there is major—

**Mr JOHNSON:** Benefits.

**Mr LUCAS:**—trade and commerce between the two borders. The level of it is really enormous. Why? Of course there have been delays with the project—not the project being built because the construction is ahead of time—but indeed getting it done in the first place as a result of those significant concerns by New South Wales, including environmental issues, and the fact that it is actually built essentially in swamp. When you go down there and have a look at it being built—I was there a month or so ago with the Premier—you will see that the ramp in the tunnel is about 1.3 metres thick. That is how large it is. The water pours from the sides of it into the dewatering area and the areas they are still constructing. So it is a very expensive project and construction costs are ever increasing. It was on a critical path because of course the airport had to be extended, which has now been done as well. The good news is that it was originally scheduled to be opened in Christmas next year. At this stage it will be June and with continued good work I am absolutely confident that we can get it even earlier than that. Work is progressing extremely well.

I do not want you all to think I am a bit odd or odder than you might otherwise think I am. However, last weekend I took the opportunity to go down the coast for the day. I had a nice counter lunch at the Tugun surf club and drove across that little bridge that goes across to “Mr Billabong”. I got out of the car and looked out over the Tugun bypass. It is a bit poor when you are the transport minister and you go looking at road projects in your spare time, but I did. I was doing a bit of ‘secret shopper’ sort of stuff you could describe it. It is progressing extremely well.

In terms of the current status, all land acquisitions are finalised except Pacific International interim payment while negotiations continue. We have the land in our hands, though. The Tugun Hill bridge is complete and the Hidden Valley bridges are open for construction traffic. There is access to the full length of the project. So you can drive along the full length of it now—for construction purposes. The 334-metre tunnel is fully excavated. Approach ramps are progressing well. Most of the tunnel base slabs have been cast.

**CHAIR:** Order.

**Mr JOHNSON:** Thank you, Mr Chairman. Minister, I refer you to MPS page 2-4 and the Capital Statement page 89 regarding the Ipswich Motorway Wacol to Darra project. In 2006-07 a budget of \$72 million was allocated and, according to the 2007-08 Capital Statement, only \$59.5 million has been spent. While it is noticed that there is an underspend, there are no roadworks currently on that section of the motorway. On what has the government spent the \$59.5 million, and will you provide the committee with a detailed breakdown of those costs?

**Mr LUCAS:** I thank the member for the question. In November 2005 funding of \$320 million in 2005 dollars was announced to upgrade the Ipswich Motorway from Wacol to Darra and works included the Centenary Highway interchange and provision for the Darra-Springfield line. The contract was awarded to the Safelink Alliance comprising Leighton Contractors, BMD, Maunsell, Ove Arup and Main Roads. It was awarded on 7 December. On 19 June 2006, stage 2 approval of \$60 million was granted for land acquisition and other preconstruction activities, and the next stage funding application is being prepared for submission to DOTARS this month.

The concept planning phase is currently being finalised by the Safelink Alliance. The assessment of alternative designs, selection of preferred design and development of target cost estimate is to be completed shortly. The first stage of land acquisitions is now complete and the taking of land notices were published in the *Government Gazette* on 15 June. Further resumptions commenced and are expected to be completed by early 2008. Planning is progressing on the relocation of the Darra sporting fields to the Westgate precinct at Wacol. Major construction is expected to begin late this year and be completed by mid 2010.

I must say this about the Ipswich Motorway: recently the federal government committed \$2.3 billion to what I call a half northern bypass. So spectacular is the advocacy of Michael Johnson that he now has a motorway that will go through his electorate! That is \$1.2 billion more than what the alternative upgrade of the Ipswich Motorway would be, and I know that is an upgrade that the honourable member advocated. I am not suggesting that the state opposition do not agree with us in relation to this particular argument. Having said that, what the \$2.3 billion does not include is federal government funding for connecting it back into the Ipswich Motorway at either end. There will be some significant issues on this Wacol to Darra section as a result of them wanting to do this on a rushed time frame. The whole problem with the Ipswich Motorway is that it should have been done years ago. The problem with that is that there has been interference by people, particularly people like Cameron Thompson. I recall that in the time of the honourable member being minister you were fighting with the federal government about the Gailles interchange.

**Mr JOHNSON:** That is right.

**Mr LUCAS:** This is not an issue of state delay but it is certainly an issue of the federal government actually sitting down and working out some sensible degree of accommodation with the state government. The Wacol to Darra section will start in December. It has been in design. It goes in accordance with the time frames that the federal government commit us to on their assessment of our milestones.

**Mr JOHNSON:** Minister, I raise another very contentious piece of road, the Kuranda Range road. I refer to Capital Statement Budget Paper No. 3. In the Department of Main Roads' forward capital program there does not appear to be any major capital funding of significant value against the ledger from Cairns to Kuranda, namely the Kuranda Range project. However, in the RIP of 2007-08 to 2011-12 there are amounts identified such as \$400,000 for 2007-08, \$150,000 for 2008-09, zilch in 2009-10 and \$800,000 beyond for hardship resumptions. Minister, what is your government's policy in relation to the upgrade of this road as well as the increased volumes of traffic and the various safety factors on this section of road? With the small amounts of funding I have identified it appears to tell the people of far-north Queensland that you are not going to progress the upgrade of this range crossing within the next few years, or do you have a plan to do so?

**Mr LUCAS:** I thank the honourable member for the question. I think it is an important one. It is a critical issue in far-north Queensland. I note that the honourable member has made a number of statements about it. The road carries about 7,000 vehicles a day and it is a 12.7 kilometre road from Smithfield to Kuranda. The upgrade would widen it to four lanes and reduce the number of bends and improve environmental outcomes. Because this traverses Wet Tropics World Heritage area, the proposed upgrade is a complex process due to the stringent legislative constraints and environmental matters. We do not have a firm timetable for construction to start yet because the implications of the federal government's conditions are still being assessed and we still have not got all the approvals through. Indeed, just to give you some ideas about why these federal issues take time, in September 2004 our first applications were submitted to the federal government. We continued to provide information as per the federal government requests over the next three years. In March this year we got a letter from federal minister Malcolm Turnbull advising that the decision was imminent. Three months later we finally got the federal environmental approval for the project granted with conditions that we now have to digest. However, there is no approval, I am told, yet by the WETMA—the Wet Tropics Management Authority—ministerial council yet. We need that permit before we can begin detailed field work investigations needed for detailed design.

The other thing that the government is doing is renewing the far-north Queensland regional plan, including the infrastructure needed to support that plan. That will be completed late this year or early next year and that will give us some guidance regarding timing for the increased population along there. The preliminary design includes features to improve environmental outcomes such as bridging along 40 per cent of the length of the road. Where road kill is a significant issue we are actually going to be up above the rainforest floor. Notwithstanding that, the federal government want us to acquire a large amount of compensatory habitat even though we are going to actually improve the environmental footprint of what we are doing.

Yes, there is no money allocated in terms of major construction for the project. When we finish these approval processes we can then do that. I would expect in next year's budget they will have to start to make some allowance for the project's future.

**Mr JOHNSON:** Minister, there has been design done on this project?

**Mr LUCAS:** No, because you cannot do the detailed design until you know the nature of the environmental approvals. Once we finish that we can then proceed to that. We have done preliminary design obviously because you need to put in the concept. That will need to be given consideration in the context of the next state budget.

**Mr JOHNSON:** Minister, I refer you to the local government amalgamations and I refer here to MPS page 2-6, Infrastructure Program and Development Delivery. With the local government amalgamation issue on the eve of an announcement by the independent commission about recommendations on boundary changes, it is fairly evident that there will be a demise of some of these council workforces. Minister, do you see this as a factor for the commercial building arm of the Department of Main Roads' RoadTek to become a prominent player in road construction and maintenance in rural and remote Queensland?

**Mr LUCAS:** I thank the honourable member for the question, but I do not necessarily accept the premise that he suggested that local government amalgamations will result in some decrease in local government road workforces. I would have thought the opposite would be the case.

**Mr JOHNSON:** I hope it will be.

**Mr LUCAS:** I would have thought the opposite would be the case because we want to have more people doing service delivery in these communities.

I will get the figures for what we spend on local governments. I was actually interested, because one of the questions on notice that I was asked by the opposition in relation to this was about tied and untied work. The tied sole invitee work that we do in many places is there to preserve the local government and RoadTek workforce. That is not significant so much in Brisbane, but massively significant in areas that you and the member for Darling Downs in particular represent. So no matter what the boundaries are, \$200 million will be spent on the state road network strengthening and supporting local communities.

Of course, you would be aware that we have also significantly increased funding for the local roads alliance. Indeed Paul Bell commended the state government for its efforts in his foreword to their update to the funding for roads and public transport infrastructure, stating that the LGAQ commends the state government for its efforts and encourages the federal government to increase its efforts in tackling south-east Queensland's major transport infrastructure given the parlous state of the National Highway. Then he notes in the local government national report prepared by DOTARS that Western Australia and Queensland are making a serious contribution to funding local roads and that other states could follow the Queensland and Western Australia lead by providing more financial support for councils.

We will continue to do that regardless of their structure. I got a very nice letter from the Mayor of Taroom the other day about our commitment to the Roma-Taroom road. You cannot have a state like Queensland without a significant commitment to rural roads. We will continue to do that. I do not have the figures immediately at hand, but I will get them. The amount of money that we spend on our remote roads compared to the amount of registration that we collect is massively in excess. We will continue to do that, because we are a government for all of Queensland, not part thereof.

**Mr JOHNSON:** Look at the productivity that comes out of the bush. My next question is in relation to road maintenance and rehabilitation. I refer you to page 2-19 of the MPS under the heading 'Infrastructure Program Development & Delivery' and the RIP on page 281. The Ministerial Portfolio Statement indicates that the target estimate for expenditure on road maintenance and rehabilitation is \$430 million in 2007-08. However, the RIP indicates that the forecast expenditure on road maintenance and rehabilitation this financial year totals \$450,337,000. Clearly, the figures do not reconcile. As the RIP reflects the amount needed to be spent on road maintenance and rehabilitation this financial year, why has the maintenance and rehabilitation budget been slashed by more than \$20 million?

**Mr LUCAS:** No, it has not. If you look at the budgets for the two years, it has increased. The reason the actual is higher, I am advised, is for NDRA—natural disaster relief moneys—being brought into account as a result of Cyclone Monica. But I will talk about asset maintenance—

**Mr JOHNSON:** So you say they reconcile or there has been nothing slashed?

**Mr LUCAS:** Yes, they do reconcile, I am told. Frank Vardanega advises me that they do. I should say that the issue of maintenance is of critical importance to our state road network. Whilst the state maintenance funding on the state controlled network has increased by \$135 million to \$2.16 billion in our new RIP, federal maintenance funding on the AusLink decreased by \$3.3 million to \$63.1 million in 2007-08. The federal government does not like funding maintenance because it does not see it as sexy. It cannot get a big announcement out of it. The problem is that it becomes a real issue for us. When it starts raining inevitably in the future it will be a real issue for us on our National Highway in terms of the level of maintenance that we achieve.

**Mr JOHNSON:** What amount of funding has been allocated to road maintenance and rehabilitation programs in rural and regional Queensland? Do you have a figure on that?

**Mr LUCAS:** I will provide that for you.

**Mr JOHNSON:** I refer you to pages 2-2 and 2-51 of the MPS. For several years the RIP has outlined projects greater than \$1 million which varied by more than 10 per cent over program estimates. This RIP, recently tabled as part of the budget papers, did not include such detail. Why is this information no longer provided? Or was it because the 2006-07 to 2010-11 RIP included projects with extreme escalations in cost, with one in particular registering a 915.38 per cent increase?

**Mr LUCAS:** Can you repeat the question?

**Mr JOHNSON:** For several years the RIP has outlined projects greater than \$1 million which varied by more than 10 per cent over program estimates. This RIP, recently tabled as part of the budget papers, did not include such detail. Why is this information no longer provided? Or was it because the 2006-07 to 2010-11 RIP included projects with extreme escalations in cost, with one in particular registering a 915 per cent increase?

**Mr LUCAS:** I am advised the reason that is the case—and, of course, we provide it at a macro level in the MPS—is that one of the things that we have done with the RIP, as you would recall, is that in the past the RIP has come out towards the end of the year and we have brought it out almost at the same time as the budget now. So it is actually before the close-off at the end of the financial year. We will provide the information in due course—I mean, not to the estimates committee; we will provide it appropriately, because we would not have it available for the estimates committee yet, I do not think. But

it will be provided in due course. I suppose this is the trade-off if you bring it forward. The reason we wanted to bring it forward was that if you find out allocations towards the end of the financial year, or halfway through the financial year that it applies to, it makes it a bit harder for local governments and people. So we brought it forward. But the department acknowledges that that will need to be reported publicly as is appropriate.

**CHAIR:** It is time for government questions.

**Ms JONES:** Can you advise how much Queensland will collect in registration and how much will be spent on roads in 2007-08 compared to how much Queenslanders will pay in federal government fuel tax and how much the federal government will return to Queensland roads?

**Mr LUCAS:** I can. At the estimates hearing last year I announced that the Queensland government would allocate 100 per cent of revenue collected in registration, that is the road user fee, to roads—not the third party part of it, though. We have met this commitment and then some. In 2007-08, we expect to collect \$900 million in registration revenue. We will spend \$1.8 billion from all sources on roads across the state.

The good thing about registration revenue is that we are growing significantly, so it is a growth injection of funds. I will get you some figures in a second, hopefully, on how our registration numbers are predicted to increase. That \$1.8 billion in 2007-08 is part of our record \$13.3 billion RIP. That will deliver critical state funding to projects across Queensland.

The Beattie government is building that infrastructure that a booming Queensland needs. When you pay your registration in Queensland you know that. In fact, not just it but much more than that is going towards building the road network. Regrettably, you cannot say that every time you put petrol in your petrol tank. Every litre of petrol sold includes a federal fuel tax of 38c. That is a fair bit of money when you fill your car up. That goes into Canberra's coffers. So in 2007-08 the federal government will collect \$14.4 million in fuel excise.

But that is only \$2.8 billion. That is less than 20c in the dollar that will be returned to the national road and rail network. We would estimate that \$2.8 billion alone is collected in Queensland. So in other words, on average each and every Queenslanders will pay \$685 in fuel tax and Canberra will give back only \$182 in road funding. So Mr Howard or Mr Costello keeps \$503.

The member for Gaven represents an area on the Gold Coast. Each year people on the Gold Coast pay \$303 million in federal fuel tax. There has not been one major federal road project announced on the Gold Coast, despite a swag of federal members in safe Liberal seats, since the Tugun bypass of \$120 million. Now of course we have had Margaret May and Steven Ciobo saying in some of their taxpayer funded newsletters that the Gold Coast deserves a go. Surprise! The Gold Coast deserves a go? It is an absolute disgrace that they have not delivered to those people who voted for them so loyally.

People in north Queensland and far-north Queensland should be wondering where that money is to fix up the Bruce Highway—a road that people in New South Wales or Victoria would never tolerate. So it is about time that the federal government invested in road infrastructure. We invest two and a half times more than Victoria per capita and twice that of New South Wales. We lead Australia when it comes to road funding. It is time the federal government put some money back in as well.

**CHAIR:** I am glad you talked about the Bruce Highway, because up my way at least it is the worst part of the National Highway in Australia. Can you advise some of the urgent projects that the federal government has refused to fund under AusLink 1 and what projects are on Queensland's list of priorities for AusLink 2?

**Mr LUCAS:** Thank you, and why would you not be interested in it? In fact, I would say this: one of the good things about the Bruce Highway is that I have had pretty good bipartisan support in relation to us at a state level pushing the federal government to do something about it. I know the Leader of the Opposition made some ill-informed comments a few months ago, but I have had very good meetings with Andrew Cripps and Rosemary Menkens, the shadow minister, and, of course, with all of our Labor members who represent areas along the Bruce Highway, about doing something about it.

But just so that you do not think that this is Queensland having a bit of a whinge that we want more money and all of that sort of stuff, AusRAP are the independent national assessors of the road network. They classified 27.5 per cent of the AusLink network in Queensland as in the worst category—27.5 per cent. That compares to 11 per cent in New South Wales and 1.6 per cent, or 11 kilometres, in South Australia. So the independent assessors say that there is 11 kilometres of worst-status road on the AusLink network in South Australia and there is 1,295 kilometres in Queensland. We fund other things in Australia according to need and according to priority. Why is this not given a priority? Eighty-seven per cent of the 1,728 kilometres of the Bruce Highway received only two or three stars out of a possible five.

We have worked very closely to try to improve the funding of our National Highway. Once you get north of Caboolture, there is not a lot of money there. They refuse to put any money into the Gateway upgrade. We cannot get them to do more things on the Gold Coast. But we are now putting forward our

submissions to the federal government for future infrastructure under AusLink 2 and projects such as a Cardwell range, the port access to Townsville, those Gold Coast projects and other projects for the Bruce Highway in north Queensland will be absolutely important issues. But the problem is that AusLink does not kick in until 2009-2010. They are putting \$2.3 billion into that Goodna bypass that no-one in Queensland wants. That \$2.3 billion, plus the extra that they have not accounted for, could go into roads in all of the electorates of the honourable members. It is just a crying, crying shame.

I have met now with the key stakeholders in Cairns, Townsville and in those communities along the Bruce Highway north of Sarina. We have talked about the issues. We are going to provide a very detailed submission that says to both sides of federal politics—and I want to be quite nonpolitical about this. The people in north and far-north Queensland in particular should be asking Liberal, Labor and National, 'What is your commitment for the price of my vote?'

**Mr CHOI:** I refer to a response you provided to a question on notice about Main Roads funding to local governments, which is quite interesting to me. Could you further expand on the benefit of this support to local councils and their communities, especially in rural and regional Queensland?

**Mr LUCAS:** I thank the honourable member for the question. There is a strong partnership between state and local governments. In 2007-08 we will provide \$76 million in new funds directly to local government for their roads under the TIDS program and \$458 million for Local Roads of Regional Significance. Local roads of regional significance are either lower order state roads or higher order local government roads where we work cooperatively with local councils in a Roads Alliance to decide the best priorities for them. It has actually been very successful, and local governments sing its praises. I mentioned some of the things that people had said nationally about what Queensland and Western Australia are doing.

Local governments are key partners of ours. The local roads of regional significance includes 13,500 of state controlled roads that would be owned by local governments in other states. In other states—and I know this for a fact—they dump all their state roads on local governments so they have far fewer state roads and they can crow about what they are spending on their state roads. We spend more than them anyway. We do appreciate the issues that local governments have in terms of their capacity to deal with state roads.

In some of the communities that the honourable member for Gregory referred to before, the major external injector of funds would be Main Roads. We make no apology for doing that. It says something about their viability, but we are happy to do that because people live there and people deserve roads. There are tourists, trade and commerce that are dependent on those roads and we will continue to do that.

Over the next five years, we will invest \$2 billion to maintain and upgrade local roads of regional significance. That is a massive increase in local roads and communities. Local governments are also awarded works on the state controlled network. The member for Gregory spoke about their role; it is not even just the money that we put into them to do on their own projects. We also get them to do a number of projects for us on the state controlled network. Many of our maintenance contracts in remote areas are actually undertaken for us by local labour forces and councils. It is really good for them because it means they are spending that money in that local community and developing those competencies that are so important.

Here are some examples of our projects. Main Roads is contributing \$2.86 million to paving and sealing the Yaraka to Retreat Road in Barcoo shire. Quilpie shire is gravel resheeting 25 kilometres of the Old Charleville-Napoleon Road for \$400,000 commencing in 2007-08. I have never driven on that but I imagine the member for Gregory has in his time. As a sole invitee, the Bauhinia shire has commenced 12.9 kilometres of pavement reconstruction on the Dawson Highway. Don Stiller wrote to me last week praising the partnership with the state on the Roma-Taroom Road and the Fitzroy Developmental Road project. Has my time finished yet?

**CHAIR:** No, wait for the two beeps.

**Mr LUCAS:** The mayor of Bungil, Rob Loughnan, was on radio boasting that his council was able to keep rate rises to a minimum because of 'road construction work for other authorities, despite further reductions in the council's financial assistance grant from the federal government'. So we are there to help local government, even if the federal government is not.

**CHAIR:** Minister, the first beep means you have 15 seconds left, and the second beep means you don't.

**Mr LUCAS:** All right, I have finished now.

**Ms JONES:** Minister, can you provide an update on work that is being undertaken or is planned for the future in the western corridor under the South East Queensland Infrastructure Plan?

**Mr LUCAS:** The western corridor is one of the most exciting areas in south-east Queensland. We have committed \$7.2 billion over the next 20 years under the South East Queensland Infrastructure Plan for transport projects in that western corridor. A number of those projects are already underway.

The Boundary Road-Kelliher Road upgrade is under construction and due to open in August 2007—two months ahead of schedule. That will provide motorists with a new four-lane highway link from the Ipswich Motorway-Centenary Highway roundabout, under the new Boundary Bridge to the Garden Road ramps at Richlands. We also have the south-west arterial that is currently under construction, extending the Centenary Highway at Springfield to the Cunningham Highway at Yamanto. We are also planning for an \$80 million project to connect the Cunningham Highway and Warrego Highway, otherwise known as the new River Road.

One of the things, however, that I know the honourable member is acutely interested in is what we would call the Western Brisbane Transport Network Investigation.

**Ms JONES:** The member for Moggill has just walked in too, Minister.

**Mr LUCAS:** Has he? Maybe he will ask me a question about that today, because he certainly has not asked me any questions about it in parliament.

That is a very important study that I know is of critical interest to the honourable member for Ashgrove. She is critically interested in it, as are other members in that area. I want to say a bit about that. By 2026 our population in south-east Queensland is expected to reach around four million, which is an increase of more than one million over two decades. This results in an estimated 575,000 new dwellings and 425,000 new jobs. All this means around five million more trips each day on the transport system.

We have got work that is being undertaken or planned to be undertaken on the Ipswich and Logan motorways and the Centenary Highway. The Brisbane City Council has proposed a northern link, which I am really quite interested in looking at. I think it is a very good proposal to go from the Centenary Highway roundabout at Toowong into the city, but all of those plug into the Gateway ultimately, and so does airport link. The Gateway has a finite capacity. I repeat: the Gateway has a finite capacity. It has got people from the Gold Coast and down south coming up on it, people from Brisbane go around on it, there is traffic to the port and traffic from the port and there is traffic to the airport—and the Gateway has a finite capacity.

We have a \$1.9 billion expansion of the Gateway Bridge that is occurring at the present time, but the federal government dumped that and could not give two hoots about that. We need to also then do the ultimate expansions north of Nudgee Golf Course and south of Mount Gravatt-Capalaba Road. Might I have an extension, Mr Chair?

**Ms JONES:** Yes.

Leave granted.

**Mr LUCAS:** Even having said that, in 30 or so years time the Gateway will reach its capacity. One thing we know—and we talked about this earlier today—is that corridor planning for the future, even if it is a long time in the future, is what you must do now in order to make sure that the outcomes are appropriate for our community. The Western Brisbane Transport Network Investigation is about working out the broader transport needs of south-east Queensland and within the western Brisbane area itself.

The member for Moggill has raised with me public transport issues in that western area. The member for Ashgrove has also raised local road issues in that area. There are obviously views amongst various people as to whether we should have a road that just goes just behind Mount Coot-tha or a road that goes up the Brisbane Valley highway and the like. Either way, I want to make sure all alternatives are studied, because there will be no community support of an outcome that does not study, one, do we need it at all; two, if we need it, when do we need it; and, three, if we need it, where should it go?

Could I say this. One thing the state government does not want to do is put a road where it is not effective and which annoys people.

**Ms JONES:** Not another Goodna bypass.

**Mr LUCAS:** Absolutely. This is about doing a study that I want to encourage the whole community to participate in so we find out the best outcome. It is very peculiar that in the past people like Lawrence Springborg have talked about the importance of a western bypass. On 29 May, Dr Flegg and Michael Johnson went to Canberra to demonstrate their misunderstanding of the government's approach by saying in a press release that they were ensuring the Commonwealth supports the full evaluation of all options for the bypass of Brisbane. I agree and Jim Lloyd said he would too but where is their money? Get in the tent and get on the study.

**Mr GRAY:** Minister, continuing that theme of the lack of federal money, the Warrego Highway between Roma and Mitchell is a critical link in the national network for the livestock industry. Can you provide an update on planning for an upgrade to this section of highway and whether the federal government has committed any funding to the project?

**Mr LUCAS:** I thank the honourable member for the question. This has been a matter that I have had discussions with the member for Gregory and the federal member for Maranoa about.

**Mr JOHNSON:** I support you too, Minister.

**Mr LUCAS:** I acknowledge the strong support from the state opposition and particularly the National Party members of the state opposition for this very important project. I will explain why it is so important. I have had a number of very good discussions with the federal minister. I have not yet met with success in terms of an announcement, but I have had a number of very good discussions with the federal minister when it comes to why we need Roma to Mitchell done.

Cattle operators travelling to Roma from the west must use this link to access the Roma saleyards. They are the largest saleyards in Australia, with a throughput of up to 400,000 head of cattle each year. This section of the national highway currently does not cater for type 2 road trains as pavement widening and rehabilitation is required. The road is too narrow and rough to carry type 2 road trains and the Maranoa River Bridge east of Mitchell is only six metres wide. As a result, the type 2 road trains—and they come from western and northern Queensland and the Northern Territory—must break down to two trailers west of Mitchell. What does that mean? That means that operators are wearing \$500 a trip in extra cost. Who pays for that? Either the farmers or the consumers or both.

**Mr Johnson** interjected.

**Mr LUCAS:** Absolutely. An economic assessment by Connell Wagner found that upgrading for type two road trains would save the industry \$1.5 million a year. One of the things the federal government needs to understand better is that infrastructure outcomes can get recurrent benefits. They always want to make themselves heroes and write cheques to people and all that sort of stuff. If you spend money on an infrastructure outcome, once it is spent it is there for good. After a one-off capital payment, each year there will be \$1.5 million in gains to the transport industry.

So this is an amazing opportunity. I am really hopeful we can get some money from them to do this project because it will mean a major shot in the arm for that regional economy in terms of construction but more importantly on a long-lasting basis to get those type 2 road trains straight into the Roma saleyards. It means cheaper food ultimately for us and safety benefits on the road for other motorists.

So this is exciting. I want to be absolutely crystal clear about this. I am not playing politics here. I have had very strong support from the member for Gregory. I know there has also been strong advocacy from Bruce Scott, the federal member for Maranoa. If we get a commitment from the federal government for this, it will be a major boost for the regional Queensland economy.

**CHAIR:** The time for government questions has expired. I call the member for Gregory.

**Mr JOHNSON:** I want to go back to a previous question I referred the minister to in relation to the road maintenance rehabilitation program on MPS 2-19, 'Infrastructure Program Development and Delivery' and the RIP on page 281. I want to refer the minister to another part of that question again. What amount of funding has been allocated to road maintenance and rehabilitation programs in rural and regional Queensland?

**Mr LUCAS:** I indicated to you that I will get that for you.

**Mr JOHNSON:** Thank you. I have just made a note of that. So will you come back today or later?

**Mr LUCAS:** There is no reason we cannot come back today on that. I will submit that to the committee; I will take that on notice perhaps. Can I add one thing though. You asked a question previously about information contained in the RIP regarding the completion of projects. That will be available by the end of September and will be included in the department's annual report.

**Mr JOHNSON:** Thank you. Minister, I referred you before to the figure of \$430 million in the RIP and it does not reconcile. In that question I had before, will you give us a breakdown of rural and regional maintenance?

**Mr LUCAS:** No problem.

**Mr JOHNSON:** Thank you. I come to the Townsville port access road. I refer to MPS 2-11 under 'Recent Achievements'. Access to the Townsville port has been a priority for many years, as you can appreciate. In fact in 1996 work centred on identifying a solution that would improve safety and secure cost efficient freight transport to the port of Townsville. Some 11 years later, the port access road is still waiting to become a reality. I am aware that a revised project proposal and funding case has been submitted to the federal government. What is the status of the port access road, considering the state government provided \$14.7 million for planning work? Will you provide the committee with a copy of the funding case? Why is there no funding in the 2007-08 budget to progress this priority project?

**Mr LUCAS:** The Townsville port access project is a 10-kilometre project; 2.5 kilometres is for section 1 for the Stuart bypass and 7.5 kilometres is for section 2 for the eastern corridor. It will directly connect the Flinders and Bruce highways to the port of Townsville. That port access road is needed to support the growing port of Townsville and it will contribute to the national economy.

There is strong growth in the northern economic area of north-west and north Queensland within the triangle of Mount Isa, Townsville and Bowen. Mining production is valued at over \$4 billion annually. The state government has so far provided \$14.7 million to allow planning to be carried out. Main Roads is progressing the project by moving into design, despite no federal funding to date.

The updated funding request was submitted to DOTARS in mid-March 2007 in time for consideration in the May 2007 federal budget. The funding request is for 50 per cent funding of \$190 million—out-turn dollars—based on construction being completed by 2011-12. That follows on from previous funding submissions made in December 2003 and August 2004.

Peter Lindsay said as part of the 2007 federal budget that the Townsville port access road will be funded under AusLink II. If it is funded under AusLink II, that means that we do not get their money until 2009-10 and it is a matching project. We have gone just about as far as we can using our part of what we have allocated thus far to achieve what we can.

Key milestones include the Stuart bypass, for which concept planning including preliminary design is completed, as is land acquisition. For the eastern corridor, concept planning is completed and land acquisition is being handled by the Department of Infrastructure, with negotiations and transfer of land currently underway. Design work is expected to begin in September 2007. Community engagement is expected to commence in August 2007. The environmental approval process for stage 2 under the Commonwealth legislation is underway, and it controls the timing of that. I am told that should funding commence from 2007-08 we could start and build it by December 2009. But if it is not until AusLink II, which would appear to be the case, it will be the end of 2011 for the Stuart bypass and the end of 2013 for the eastern corridor.

Sooner or later the federal government is going to have to get serious about this project. It is an important part of the AusLink network. We have done what we can with essentially our 50 per cent of the funding. But I will say this: with the Gold Coast and the M1, the federal government is not providing money to us. We are doing the planning and design, but sooner or later it grinds to a halt because we have not got their dollars in the tin.

**Mr JOHNSON:** Minister, this project as I see it is probably one of the most high-priority projects in north Queensland. It is strangling the growth in the port of Townsville. Are you entering into negotiations again now with the federal government to try to advance this AusLink II program? Where are we at with it? We cannot wait until the end of 2013.

**Mr LUCAS:** Absolutely. I have no problem with what you said at all. I do not know if you have noticed that I have a flat forehead, because I go down to Canberra regularly and belt my head against the wall there in Parliament House. We have a whole list of critical projects in Queensland that we need the federal government to fund. Some of them are 100 per cent funding ones like the Bruce Highway and the National Highway network. Other ones like this are 50-50 funding. We more than meet our responsibility on our roads. Indeed, Queensland has the largest proportion of state controlled roads. We have 19 per cent of state controlled roads compared to New South Wales which has 11 per cent and Victoria which has six per cent. Not only do we look after a far greater share of things ourselves and then spend more money than other states; in a number of instances with 50-50 funded projects I have tried to do as much as I can to collapse those time frames so that if and when federal government approval comes we can get in there and start the projects earlier. The M1 is a classic example, as is the Townsville port access road.

You really should not direct your concerns to me, because I agree with you. This should be a critical issue in the coming federal election. The good news is that Herbert and Leichhardt are both marginal federal divisions. What I hope is that both sides of federal politics make a commitment to construct this and many other projects. I will be absolutely delighted to build it. I think there are really exciting opportunities for that Townsville port. A lot of work is also being done in Bowen. There is a very proactive mayor in Bowen, as there is in Townsville. We will continue to advocate it vociferously, but I do not think anyone could accuse me of not being up-front in advocating Queensland's road interests. Jim Lloyd accused me of being a pest recently. If being a pest means that you continue to irritate someone until they actually come up with the money, then I am happy to be a pest.

**Mr JOHNSON:** You will have my support with it.

**Mr LUCAS:** Well, we are both pests, then.

**Mr JOHNSON:** Minister, can I refer you to the Riverside Expressway, reference 2-18 of the MPS, Infrastructure Program, Development and Delivery, and in the RIP it is page 63. I refer to the engineer's investigations and reports on the structure, joints and bearing loads of the Riverside Expressway. In your response to my question on notice No. 200, you provided preliminary cost estimates on the maintenance and replacement of bearings, which was \$30 million. While the RIP outlined an indicative cost of \$24.7 million with proposed expenditure in 2007-08 of \$5.8 million, your departmental budget documents do not mention the Riverside Expressway's problems or any proposed maintenance program, nor does there appear to be any funding allocated in your departmental budget. What is the status of the Riverside Expressway's structural rehabilitation program? And when will remedial work be finalised?

**Mr LUCAS:** You are not right. The RIP shows a specific allocation to it, but it is part of the maintenance component that is in the budget papers. There is not a specific entry for it. The RIP has a specific entry that shows what we have programmed to do there. This ongoing maintenance program is

not about any of the issues identified as a result of the rotation of some of those bearings. In fact, that was noticed when we were doing work as part of the program maintenance on the Riverside Expressway.

**Mr JOHNSON:** Fair comment.

**Mr LUCAS:** The Riverside Expressway is in good condition for its age. It was designed in a period where they did not have a lot of computer analysis. It would appear from the investigations that the rotation had been happening for a significant period of time. I note that you did not say this but someone else in the Queensland parliament had a go at me when we got the final report from Main Roads, saying essentially that unless you want to increase the load limits on those ramps higher than the maximum currently permitted as of right in Queensland, then you do not need to do anything. It is only if and when we change our laws in Queensland in the future that we might need to do some further work on it of a structural nature. Sorry, we put safety first. Not only do we put safety first; with all of the documents, all of the maintenance records I tabled and all of the reports I tabled, we have made sure that it is all out there for everybody to see. There is \$25 million in program maintenance, and that maintenance is part of the normal work in dealing with the Riverside Expressway.

In terms of current status, members who drive late at night through Brisbane would have noticed—and those who live in the annexe would have heard it sometimes—the ongoing maintenance being undertaken on the Riverside Expressway. The deck expansion joints should all be replaced by August 2007. Bearing repair and replacement will be scheduled over the next three to five years. We will continue to do the work there.

The short answer to your question is that there is money in the maintenance budget for it. It is in the RIP and it is also included in our general maintenance budget. We will continue to do that work on it as is appropriate for that bridge. But I have to say that the work of my Main Roads people, and particularly Ian Reeves, the chief engineer, was outstanding in putting safety first. We have people like John Fenwick, who is a world leader. He is not just a leader in Main Roads; he is a world leader in bridge design and structures of that nature.

**Mr JOHNSON:** Minister, I refer you to 2-18 of the MPS, Infrastructure Program, Development and Delivery. On Friday, 6 July you released a Main Roads investigation report into the fatal crash on the southbound ramp from the Bruce Highway to the Sunshine Motorway at Tanawha. I note that the police report is still being finalised. However, the investigation revealed that the stone used in the asphalt on the ramp was polished within seven years. What investigations are now underway to assess whether the stone had adequate polishing resistance at that location and other similar locations throughout the state? When do you expect this assessment to be finalised?

**Mr LUCAS:** I thank the honourable member for the question. Before I start, the Townsville port access is in the RIP with \$1.6 million in 2007-08 for planning and design, just to note that for you.

**Mr JOHNSON:** Thank you.

**Mr LUCAS:** The Sippy Downs accident was, as are all accidents that occur on any road network, an absolute tragedy. What Main Roads always do with fatal accidents, but specifically in relation to this, is commission a detailed report in which it looks at all the factors in relation to the road as a result of that accident. It does not look at crash factors such as vehicle or driver related issues or anything like that. That is a matter for the police. You are always at a bit of a disadvantage until you look at all the information. Ultimately, the coroner has every right to conduct an inquiry into this matter and have a look at any information should the coroner, after having a look at the relevant reports, see fit.

One of the things that you will see from the Main Roads report is that it is very detailed. It includes all of the measurements and all that information. It includes not only the conclusions but also the information upon which they based their conclusions. So that gives other people the opportunity to have a look at some of those issues. I will stand corrected if this is the case, but the aggregate or the rock that was used in the surface was supplied within the appropriate tolerances that Main Roads set for the supply of that material. What the report indicated was that, with significantly increased traffic volumes on that ramp, it wore quicker than it would normally be expected to do.

The report concludes, looking at the most likely cause in relation to the road factors, that there was some sort of surface contamination. The reason it concludes that—and you really should read it yourself if you have not done so, and I am sure you may have—is that a large number of vehicles use that road and all of a sudden within a very short period of time two came off it. It was not all day but within a very short period of time two came off it. An independent eyewitness told police, I am advised—and I think this is also in the report—that they saw a rainbow coloured film on the road at the point the second vehicle lost control. It is likely that this surface combination, combined with light rain, significantly exaggerated those road surface conditions.

We noted that 7,700 vehicles over a two-week period—15 per cent of motorists—were travelling over 80 kilometres an hour. They did not come off. But we will continue to look at those issues because they are important. From every accident we learn something. We want to make sure every 'i' is dotted and every 't' is crossed.

**Mr JOHNSON:** Minister, I refer you to the RoadTek skilled workforce, reference 2-9 of the MPS, Staffing Output and Activity. According to the Ministerial Portfolio Statement the estimated actual staffing for 2006-07 was 1,772. The estimate for 2007-08 is set at 1,620, which is clearly a decrease in staffing levels. However, note 4 states that staff numbers are being increased to ensure delivery of the increased works program now and into the future. What is the reality? Are you increasing staff in RoadTek, or are you hampered by a skills shortage? If so, what programs, incentives and associated funding have RoadTek put in place to encourage and retain additional staff?

**Mr LUCAS:** I thank the honourable member for the very good question. First of all, we are increasing numbers in RoadTek. A total of 341 FTEs will transfer from RoadTek to corporate in 2007-08 into the design, soil and laboratory areas. After taking into account this transfer, RoadTek is forecast to increase—so taking into account the transfer there is an increase—by 189 FTEs by the end of 2007-08. That has a number of advantages for us. It can reduce unnecessary overtime, reduce the number of long-term contractors and put people in the general workforce. That of course is better in remote locations. I do not have a breakdown of where they will be, but that is of course better in remote locations.

The other thing which the honourable member asked, and it is a really important question, and you would note from parts of your electorate that are heavily influenced by the mining industry—

**Mr JOHNSON:** By mining, yes.

**Mr LUCAS:** We are in a very competitive market at the moment, particularly for skilled—

**Mr JOHNSON:** It is an unfair advantage market.

**Mr LUCAS:** Well, it is a problem for all sorts of industries. Apparently you cannot get a pizza delivered in Emerald, because who is going to do the job? Everyone is getting better and better jobs. You probably go to the supermarket and get a frozen one or something like that. What we wanted to do was address—

**Mr JOHNSON:** Good local representation.

**Mr LUCAS:** What we want to do is address this capacity issue. We have grown our engineering capacity by 88 FTEs over the last two years and it is a challenging environment characterised by skills shortages. So what have we done? We have increased the number of cadets, apprentices and graduates being recruited and employed; TICS, which provides temporary salary loadings ranging from five to 25 per cent to employees in high-demand occupations, so an extra loading in those areas where there is demand; our EDA process to deal with issues of recruitment and retention; establishment of a strategic recruitment unit and engagement of internationally recognised specialist, Futurestep; and improved workforce planning.

The director-general particularly has been very passionate about this. In 2006 we recruited 63 graduates, 85 apprentices and trainees and approximately 40 cadets. There were 60 scholarships awarded across a range of business critical occupations. In 2007 we will go from 63 graduates to an additional 103 graduates; from 85 apprentices to 120; from 40 cadets to 54 cadets; scholarships are going from 60 to 52. There is that big increase in there in that area as well. We are managing our mature age workforce and we are strengthening technical competencies, but we do see that as a key challenge for us. I say this though to people: there are some real attractions to working in the government. It is not all beer and skittles in the private sector. I know people who have left Main Roads who want to come back.

**CHAIR:** It is now time for questions from government members. We have spoken a bit today about the Bruce Highway. I want to talk about the Bruce Highway at Tully. Can you provide an update on work on the Bruce Highway between Townsville and Cairns and whether the federal government has provided sufficient funds to achieve a consistent level of flood immunity? It is a huge issue up our way, as you know.

**Mr LUCAS:** I thank the honourable member for the question. I had a bit of a go at the federal government before. It is important to acknowledge though what it has done. It has made some good initiatives in some areas: for example, the \$348 million provided under the Bruce Highway accelerated upgrade package. That includes \$128 million committed to the Bruce Highway upgrade south of Tully and an additional \$220 million for flood immunity upgrades and safety works.

What it does need to understand though is that Queensland is a big place and that money, whilst welcome, will not go anywhere near to dealing with our problems. When you get down on that Tully-Murray floodplain there—I was actually down there with Andrew Cripps, the member for Hinchinbrook—and anyone who drives along the Bruce Highway would know this: there is essentially no shoulder on the road and it just drops off on a really steep angle immediately. Indeed, they tell me that, when there is a flood, because it is reasonably elevated you can disappear into the floodwaters and no-one would ever know you were there. Construction on that project began in May 2007 in line with the mid-2007 time line agreed with the federal government and it is on track for completion in late 2009.

Detailed design is underway for the \$22 million Tokalon to Lannercost project on the southern outskirts of Ingham. That project includes improved flood immunity and installation of two sets of traffic lights. Construction will begin later this year. For the Mulgrave River bridge, detailed design work is underway for the \$35 million project awaiting federal funding confirmation. I am a bit annoyed about Mulgrave because it could have done the two parts of it; it could have done the southern approaches of the Mulgrave River bridge and got a Q50 immunity. It is not going to do that. That will have to be done later on. The chief issue, of course, is the bridge, but in a significant flood the southern approaches will flood as well. We could have actually had that funded and had the whole project done—not the northern approaches, the southern approaches.

The delivery of \$53 million worth of low-cost safety upgrades is also proceeding well, including intersection upgrades, overtaking lanes and work to repair and strengthen pavements. The main aim of the federal funding was to upgrade the worst flooding trouble spots to the same standard and achieve a consistent level of flood immunity—not flood proofing; you cannot do that there unless you want to go from Sarina to Cairns on a bridge. It would have to be a very big bridge.

However, in March 2007 the federal government, despite me telling them not to do this, made a unilateral decision to allocate \$40 million of the flooding money to the Woodlands to Veales project north of Townsville. That is an important project, but the money should not have come from the flooding money; it should have been funded additionally. This is a federal government awash with cash. It has not left sufficient funds to address flooding deficiencies between Townsville and Cairns. In particular, the Herbert River to Cardwell Range section north of Ingham will be affected. It includes the well-known trouble spots of Gairlock Floodway, Arnot Creek and Seymour River. Since the \$40 million was removed—might I have an extension?

**CHAIR:** Sure.

**Mr LUCAS:** Since the \$40 million was removed there is only \$65 million left for this work, but at least \$105 million will be needed. That is only those little parts of it. For example, we have now put in the final proposal for Cardwell. Again it is a big issue in the electorate of Andrew Cripps. The southern side of the Cardwell Range was done a number of years ago. There are wonderful opportunities on the northern range including improving the alignment. You will never ultimately get an absolutely wonderful alignment unless you go way west, way out the back, but there could be significant improvement in the alignment there. There is also the opportunity to remove and upgrade the intersection with the railway line and the Bruce Highway. That is just north once you come down there. That will be a big improvement.

A non-partisan group of mayors from Sarina to Cairns, the RACQ and business leaders has been formed to seek commitments from both sides of federal politics. I met with the group in June when it resolved to seek at least an additional \$2 billion for this 770 kilometres of National Highway.

Let us get this in perspective: the amount of \$2 billion, a lot of money, for 770 kilometres of highway. It will cost \$2.3 billion for something like 14 kilometres for the half northern bypass in Ipswich. This is not a big ask bearing in mind how many people are up there. If the federal government can put \$2.3 billion into the Ipswich Motorway for a solution that people do not want instead of the alternative one, they can put in \$2 billion plus to fix up the Bruce Highway from Sarina to Cairns.

**Mr GRAY:** What has the Beattie government done to address road noise concerns on the M1 and, in particular, how is Main Roads progressing with implementation of the Ombudsman's recommendations?

**Mr LUCAS:** I thank the honourable member for the question. I know that it is an issue that has been raised by a number of constituents in the honourable member's electorate. It was funny that the previous member for Gaven had a few words to say about this. He might have actually looked at his own side of politics for the decision to actually decide on the surface.

The previous minister or myself do not decide surfacing of roads regardless of whether they are concrete, asphalt, gravel or whatever. That is decided by engineers on the basis of best advice. That is the first point. Let us be quite frank here. The upgraded M1 between Logan and Nerang has been a principal catalyst for growth along the Gold Coast with massive investment generated both on the coast and along the M1 corridor. The Ombudsman's Pacific Motorway report acknowledges that the M1 does provide a traffic environment that is at least twice as safe as the former Pacific Highway. That is why we want more money to do it south of Nerang. Regrettably, some people in some of these groups have been quite mischievously saying that there is a safety issue with it. That is not the case. The Ombudsman has indicated that to be the situation—not me, the Ombudsman. He confirmed that there was no maladministration by Main Roads, but that the department acted on expert information available at the time. In hindsight the department could have done better. Main Roads is fully committed to implementing the Ombudsman's recommendations. I tell you now that we are accepting the Ombudsman's recommendations. There are some parts of it that Main Roads has had a clip over the ear about along the way. It has accepted that and it will deal with that issue.

In relation to the noise barrier program, we have already installed 23.1 kilometres of noise barriers to reduce road noise coming from the M1. This includes five kilometres of barriers that were erected between 2003-06 as a result of an independent review. This noise barrier program is complete. Noise modelling is to continue at 25 locations to confirm the effectiveness of these additional noise barriers in areas where the construction of noise barriers was not justified on constructability, geographical or topographical grounds. The department is now going back to identify properties to provide in-house treatment.

Since the release of the Ombudsman's report, Main Roads has prepared a detailed response and action plan to address these recommendations. Actions include continuing its noise treatment program by delivering in-house treatments; committing \$6 million of the 2007 RIP to implement works recommended in the Ombudsman's report; appointing a dedicated project team; contacting owners of identified properties and advising them of proposed works; issuing regular project updates; and advertising for contractors to undertake in-house property treatments. As of 6 July, 49 per cent of the identified property owners had been personally visited by the team and two project updates have been issued. The process of consultation is ongoing and further meetings with property owners are scheduled in the coming weeks. The honourable member has been an advocate for the interests of people in his electorate, but I also say that some people there, it would appear, do not want to accept whatever the outcome is. The Ombudsman has looked at this. We will implement the Ombudsman's decision.

**Mr GRAY:** Exactly.

**Mr CHOI:** Minister, can you provide further updates on roadworks being planned and undertaken in the Redlands?

**Mr LUCAS:** The short answer is that Andrew Laming has provided two-fifths of—I will not say what the old saying is, but not a lot. The Redlands shire is set to be home to 168,000 people by 2016, an extra 50,000 people compared with 2001. Along with the population growth, traffic is predicted to grow about by 4 per cent per annum. The Queensland government is committed to providing the road network that this growing region needs. The honourable member is a very good advocate for his electorate, I might point out. I am very close to him, just immediately north of him, and he has an excellent reputation in the local community for getting results.

The South East Queensland Infrastructure Plan and Program for the Redland Bay area includes \$143 million worth of major projects on state controlled roads over the next eight years. This funding will duplicate major links into and out of Redlands from two lanes to four lanes to cater for future population growth and travel demand. All of our new projects will include improvements to road lighting, cycle facilities, strategic fauna crossing locations and road dividers delivering safer roads for motorists and fauna, a particularly important issue in the Redlands where the environment is seen as a very serious issue in terms of koalas and the like in your community.

The particular upgrades that Main Roads will undertake are as follows: \$15.5 million to upgrade 2.5 kilometres of Redland Bay Road between Vienna Road and Boundary Road to a four-lane divided road including upgrading intersections, providing bike paths and fauna underpasses. Tenders for this project close in August this year. Construction is already underway on Boundary Road between Panorama Drive and Cleveland-Redland Bay Road to duplicate the existing road to four lanes at an estimated cost of \$18.5 million. The project is due for completion in late 2007.

Over the next five years Main Roads will progress the upgrading of four kilometres of Cleveland-Redland Bay Road between South Street and Boundary Road to a four-lane divided road. This will include upgrading the three intersections and making provision for bike paths and fauna underpasses. SEQIPP funding for this project is \$65 million. We are investing \$340,000 to plan for the upgrade of a further 4.8 kilometres of the Cleveland-Redland Bay Road to a four-lane divided road from Boundary Road to German Church Road. Over the next five years Main Roads will begin upgrading 4.5 kilometres of Mount Cotton Road and Duncan Road from Tingalpa Creek at the shire boundary with Brisbane City to Boundary Road to a four-lane divided road.

We have a lot of things that are happening there. I make the point that generally I have a reasonably good working relationship with federal members except with those who are intellectually dishonest. The member for Bowman is a classic example of someone who is intellectually dishonest. He spends a large amount of federal taxpayer money campaigning on state road issues when we have a state government that is spending record amounts of money on roads. I do not have the figures in front of me here, but I have provided them before in answer to a question on notice, but off the top of my head about 18c in the dollar of fuel tax is returned to Queensland roads at the present time. He is so spectacularly unsuccessful in Bowman that he gets about 8c in the dollar return. So he is an absolute failure when it comes to getting federal road funding in his electorate.

**CHAIR:** The rural road network is a vital economic infrastructure and is particularly important for the beef industry. Can you inform the committee of what the Queensland government has invested in improving the rural road network and any proposed approach to the federal government for additional funding?

**Mr LUCAS:** Absolutely. I talked a little bit before about our needs from Roma to Mitchell, but that is a federal issue. We have the most decentralised state in Australia and 33,500 kilometres of state controlled road network is the largest in Australia. Rapid population growth in the south-east corner of the state is requiring significant investment in infrastructure but we are focused on providing infrastructure for all of Queensland.

The state government's commitment to rural and regional Queensland has resulted in extra significant funding outside the south-east corner in recent years, including an extra \$359 million over four years from 2005-06 under the Rural and Regional Roads Funding Initiative; an extra \$170 million over five years for the Regional Bridge Renewal Strategy, the bulk of which will be spent outside south-east Queensland; an extra \$88 million over three years for the Accelerated Road Rehabilitation Program to rehabilitate and widen 71 kilometres of the Dawson Highway and replace 42 timber bridges, 11 in central and 31 in southern Queensland—southern not meaning south-east, southern meaning south and south-west, so to speak. Over five years from 2007-08 to 2011-12 RIP investment in roads outside south-east Queensland is \$3.3 billion, up 74 per cent since 1988.

Over the next two years the state government will invest in north Queensland \$29.9 million on the Gregory Development Road, an important north-south inland route for the freight and tourism industries, \$14 million on the Burke Developmental Road between Cloncurry and Normanton and \$12.8 million on the Kennedy Highway south of Mount Garnet. In central Queensland there will be in excess of \$10 million in improvements along the Capricorn Highway, predominantly aimed at widening and rehabilitating the pavement, and continuation of the widening of the Peak Downs Highway with an estimated expenditure of \$17.6 billion.

In southern Queensland the state government is investing in paving and sealing 87 kilometres in outback shires, such as the Ayr, Birdsville and Diamantina development roads, at an estimated cost of \$21.4 million. In 2006-07 we will have completed a \$26 million five-year program to widen the last 150 kilometres of a narrow sealed roadway on the Flinders Highway, an important east-west road link in north Queensland. More needs to be done.

That is why I was pleased to read in the *Courier-Mail* that the member for Gregory and his federal colleague Bruce Scott had sent a joint submission to the federal government for funding for strategically important roads that support the beef, tourism and mining industries. Well done. Under AusLink 1 the federal government largely bypassed rural and regional Queensland. I will mention one really good federal government project that Ron Boswell had a real role in. Might I have an extension?

**CHAIR:** Yes.

Leave granted.

**Mr LUCAS:** I refer to the Barkly Highway. Very good work was done with our local Indigenous cultural heritage people and Seymour White in particular. I encourage the member for Gregory to do that.

Queensland's funding for state roads in western Queensland for 2007-08 is anticipated to be six times greater than the anticipated collection of motor vehicle registration revenue. We will fund \$121.2 million and will collect in motor vehicle registration approximately \$20 million. We will do that unashamedly and without apology because it is the right thing to do for people who are critically involved in wealth creation but also for making Queensland the sort of state that it is and not some little centralised corner of the country. This state has a wonderful rural and regional economy.

**Ms JONES:** Could you advise the committee of the innovative strategies to improve the management of traffic across Brisbane?

**Mr LUCAS:** I will finish the update. I gave you the western figure before. There will be \$321 million in registration revenue in rural and regional areas and an average of \$660 million per year, including western areas, over the next five years. For western areas it is even higher. For rural and regional areas it is that figure. That is in answer to the previous query.

The number of vehicles on Queensland roads has almost doubled in the last 14 years. Record funding for roads continues to be delivered by the state government. There is \$3.05 billion this year but it is only part of the picture in terms of managing traffic congestion. We are beefing up our front-line strategy on traffic congestion by more than doubling the south-east's fleet of traffic response units.

This year Main Roads, in partnership with the Brisbane City Council, will have six traffic response units on the major arteries in metropolitan Brisbane each day. That is an additional two vehicles for Brisbane. There is another one coming. There will also be the debut on the Sunshine Coast of two units going into service there. On the Gold Coast we are boosting them from one to three. The team on the Gold Coast has done a great job. The additional Brisbane and Gold Coast units come on line before the end of the year and it is the middle of 2008 for the Sunshine Coast.

The primary function of the response unit is to clear incident scenes quickly and to move on broken down vehicles during peak periods. Not only have the TRUs proved successful in restoring traffic flow sooner but research indicates that there is a potential to reduce the risk of secondary incidents by up to 20 per cent. Main Roads is spending \$15 million over the next four years with a targeted and innovative approach to improving the management of delays caused by traffic incidents.

The use of smart technology is part of the equation. Part of the investment includes a high-tech accident survey station. It will be equipped with an arsenal of digital tools like precision cameras and a 3D laser scanner. It will give our accident investigators the equipment they need to gather crash data more efficiently so the road can be cleared sooner.

A priority system for emergency vehicles is also evolving. Main Roads will trial the GPS devices which give emergency vehicles the ability to talk to traffic management software. Some \$7.7 million has been allocated over four years for the development of the technology. We are only in the early stage. This will be done over four years. We want to get to the situation where we can do that. That will give green lights to ambulance and fire services through signalled intersections during times of emergency.

It is being made possible by Main Roads distinctive STREAMS traffic management system. The days of Brisbane's road system being controlled by two separate traffic management systems is coming to an end. Brisbane's traffic operators are now housed under the one roof and we are spending \$6 million over three years to migrate the Brisbane City Council's traffic signals to the STREAMS system.

STREAMS has been successfully sold to South Australia and Victoria. Other states have certainly indicated their support for our world class STREAMS system. It is a great team out there at Mitchelton under the chairmanship of David Merson, the former chair of Mincom. He is doing a great job.

Going back to one other thing. Redland residents will pay \$90 million in fuel tax and will receive \$4.968 million in federal funding for roads, a return of less than six per cent. He actually announced some funding for Ricketts Road which half deals with the issue.

**Mr Johnson** interjected.

**Mr LUCAS:** No, it is time they woke up to themselves.

**Mr JOHNSON:** You would back me up on that last comment.

**Mr LUCAS:** Absolutely, I would too.

**Mr JOHNSON:** I refer the minister to the Transport Infrastructure Development Scheme, the capital statement page 97 and the RIP at page 31. According to the capital statements the total of capital grants, including black spot funding under the Transport Infrastructure Development Scheme, was \$67,159,000. Once again this figure does not reconcile with the RIP which states that in 2007-08 some \$113.8 million is a firm allocation. What is correct? How much funding will be allocated and spent under TIDS this financial year or has there been a deferment from 2006-07?

**Mr LUCAS:** I will have to take that on notice and get you some information on that. I might be able to get that answer for you while I am giving you a preliminary answer. I will say this about our Safer Roads Sooner program. The federal government's black spot program is \$8.9 million per annum. It has extended it but it has not indexed it. It delivers important road safety improvements. It is \$45 million nationally. That is less than the amount of money that we are putting into our Safer Roads Sooner system in Queensland.

The honourable member will recall that when speed cameras were introduced in Queensland the law provided as well for the hypothecation of that money to important road safety projects. It is expensive to collect the fines. We have police doing that with our mobile speed cameras. The excess money goes partially to the Blood Bank and our Safer Roads Sooner program. That is as a result of a very good suggestion from the RACQ. People can actually see the money.

What we do with an appropriate number of projects is label them saying, 'This is funded by camera detected offences.' We get out there and say to people, 'Look, here is the money; it is going towards funding these important initiatives.' I will take the other material on notice and give it to you.

**Mr JOHNSON:** Thank you, Minister. I refer you to the MPS at page 2-18, 'Infrastructure program development and delivery'. I refer to the degraded road surface on the Bruce Highway north of Curra which was the subject of recent media reports. What signage and safety measures have been installed and what is the cost and progress of repairs on the various sections of the Bruce Highway which were finished with a chip sealed surface which was showing signs of stripping?

**Mr LUCAS:** You are asking about two different sections of road.

**Mr JOHNSON:** I am trying to get two for the price of one.

**Mr LUCAS:** I will give you two for the price of one. In relation to issues at Federal there was essentially a complete relaying of the surface of road and new signage but, more importantly, a wire barrier down the centre of it. I am not aware of any issues with respect to that. I understand that there

have been some issues recently as a result of rain. I think it is closer to the Maryborough area on the Bruce Highway. I will see whether I have that level of information here for you at the moment. I prefer to answer things myself, but I might defer to my Deputy Director-General, Les Ford, to provide some information on that part of bit further north.

**Mr Ford:** There have been some recent failures in chip respray/reseal programs in the Bundaberg district, four of which were experienced on the Bruce Highway. We are currently reinstating the appropriate treatments to those failed sections, including appropriate signage. My understanding at this stage is that those areas have been retreated and have now stabilised. They have been inspected by the district director himself.

We are carrying out an investigation into causes of the failure. It is thought at this stage that the possible contributory factors were the weather conditions—there was a cold snap—and a fair bit of rain in the area just after these surfaces were laid. Also there is an issue about to what extent the original bitumen spray material complied with specifications. We are checking that out at the moment. As we speak, it is my understanding that those four sections on the Bruce Highway have been restored and are safe.

**Mr LUCAS:** I will add this as well. When you talk about Cooroy to Curra the real issue is that the alignment of the Bruce Highway coming up through Gympie is awful. It has ever increasing volumes of traffic. The rural section of the highway carries 14,000 vehicles a day. The Gympie section carries 20,000 vehicles a day. Very shortly we will have the final alignment decided for Cooroy to Curra and again the ball will be in the court of the federal government to look at funding a full Gympie bypass—a route that everyone pretty much agrees with—that will make a real difference.

**Mr JOHNSON:** In relation to the realignment of the road from Cooroy to Gympie or from Federal to Gympie, with the proposed Traveston Crossing Dam there has to be a significant amount of relocation and redesign there. Can you furnish the committee with details of where the Department of Main Roads is at in relation to the project in question?

**Mr LUCAS:** Off the top of my head the whole length of it is about 65 kilometres. I think about 12 kilometres or less is potentially affected by the Traveston Dam in its ultimate configuration. We are talking about quite a period of time into the future. The Queensland government understands, however, that dealing with that part of it that will be dislocated by the dam, for want of a better word, is a cost to the dam. In those circumstances, to reinstate like with like is something that the Queensland government understands is part of the cost of that dam.

That does not obviate the need to do a full upgrade to a new and appropriate standard. We cannot build our part of it now and say, 'We can control this and we will do it now before the dam is anywhere near built let alone reaching its ultimate growth level.' The Premier indicated that the first stage is there. The ultimate stage I think he said—you would be better off getting the information from him on that—was if and when needed. We have not got a federal commitment. If we get a federal commitment it depends on the nature of what it wants to do and whether that might require us to do some other works about the part of it that we have some degree of responsibility for.

**Mr JOHNSON:** Will the rehabilitation of that other section of road be continued while that is in limbo?

**Mr LUCAS:** The Bruce Highway is the Bruce Highway which needs to be constantly dealt with. The federal government has funded some four laning through the township of Gympie which is currently underway. It acknowledges that. We want to look after it still because ultimately the parts of it that will not be inundated by the flood will end up being dumped on us as a state controlled road.

**CHAIR:** Thank you, Minister, and your department for your participation in this hearing this morning. It is a now 11.45 am and the examination of the estimates of the Department of Main Roads has ended. The transcript of this part of the hearing will be available on the Hansard web site within two hours. The committee will suspend for 15 minutes. The hearing will resume at 12 noon to examine the proposed expenditure for the Minister for State Development, Employment and Industrial Relations

**Mr LUCAS:** Can I thank you, Mr Chairman, Deputy Chairman and members of the committee. I thank the committee staff, Hansard, my departmental staff, and my GOC staff who are here and also my ministerial staff.

**Proceedings suspended from 11.45 am to 11.59 am**

## ESTIMATES COMMITTEE C—STATE DEVELOPMENT, EMPLOYMENT AND INDUSTRIAL RELATIONS

### In Attendance

Hon. RJ Mickel, Minister for State Development, Employment and Industrial Relations

**Department of State Development**

Mr R McCarthy, Director-General

Mr B Coulter, Deputy Director-General, Industry, Investment and Development

Mr B Anker, Deputy Director-General, Science Technology and Innovation

Mr J Strano, Executive Director, Manufacturing and Investment

Mr P Chard, Director, Finance

**Department of Employment and Industrial Relations**

Mr P Henneken, Director-General

Mr B Leahy, Deputy Director-General

Mr B Carlon, General Manager, Employment and Indigenous Initiatives

Mr B Walker, General Manager, Executive and Strategic Services

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**CHAIR:** It being nearly 12 o'clock, the hearing of Estimates Committee C is now resumed. On behalf of the committee, I welcome the minister, departmental officers and members of the public to the hearing. The next item for consideration is the proposed expenditure for the Minister for State Development, Employment and Industrial Relations. We will commence our examination with the Department of State Development. The committee will suspend proceedings for lunch between 1.30 and 2.30 pm. I remind members of the committee and the minister that the time limit for questions is one minute. Answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of each of these time limits. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after an extension of time has begun.

The standing orders require that at least half the time available for questions at today's hearings be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between government and non-government members. Government members and non-government members will take turns at asking questions in blocks lasting approximately 20 minutes, commencing with non-government members. I ask advisers to the minister to identify themselves when they first come forward to answer a question if the minister refers a question to them. I also ask that any mobile phones and pagers be switched off or switched to silent mode. I now declare the proposed expenditure for the Minister for State Development, Employment and Industrial Relations open for examination. The time allocated is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, under standing order 177 you are able to make an opening statement that does not exceed five minutes.

**Mr MICKEL:** Thank you, Chair, and committee members. The Department of State Development is working to capitalise on the opportunities presented by Queensland's strong economic transformation. Targeting 21st century industries such as avionics, defence capabilities, the marine sector, advanced manufacturing, biotechnology, food sciences and ICT offers long-term growth, wider opportunities for Queenslanders, greater economic diversity and strength. These changes have led us to fresh thinking about the way we assist industries. When I became minister, the department operated 22 financial assistance schemes, some of which have not changed in years despite rapidly changing economic conditions. All have been reviewed and today I announce that they will be collapsed into five core sectoral schemes to ensure we are responsive to the changing economy and better meet the needs and goals of government, industry and business.

The five categories will be the Queensland Investment Incentives Scheme, an innovation program, the Significant Regional Projects Scheme, a revised Queensland Industry Development Scheme and an industry and sectoral project scheme. The changes aim to encourage innovation, greater productivity, growth in exports, stronger regional economies, new investment and improved

business capability. I have also established the Grants Review Implementation Advisory Group to be chaired by Dr David Watson. Our aim is to make smart businesses greater and to make great industries smarter.

The good news carries through into the industrial relations and employment portfolio. Unemployment is at an historic low of 3.4 per cent in Queensland while the national figure is 4.3 per cent as at June 2007. This is great news for working families and also for employers and follows the recent WorkCover Queensland average premium rate cut to just \$1.15 for every \$100 an employer pays in wages, saving \$30 million a year. But there is a looming threat to the best workers compensation scheme in the nation—that is, the spread of the federal government's Comcare scheme into the private sector. Just as we fought the changes brought about by WorkChoices, we will fight to protect the best scheme for workers and employers. WorkChoices took many workers under the federal jurisdiction. We have referred over 800 matters to the federal government. Minister Hockey is refusing to reveal the outcomes of any investigations into these matters, so a veil of secrecy has fallen across the workplace.

But I am also pleased to report that inspectors within the Department of Employment and Industrial Relations have, in the 12 months to 30 June 2007, recovered more than \$6 million in wages, investigated more than 3,700 wage complaints and carried out nearly 300 prosecutions relating to wage recovery and breaches of industrial laws. Let us compare this result, which in the past has been higher because we had not lost coverage of nearly half of the workers, with the federal government's poor record on compliance. During the first 12 months of WorkChoices, \$8.7 million was recovered for employees and 35 litigations were taken to the court by the federal Office of Workplace Services Australia-wide. Therefore, it is no wonder that Mr Hockey is refusing to reveal what investigations have taken place on the 800 matters we have referred to the Commonwealth.

On the safety front, workplace health and safety and electrical safety inspectors carried out 147 prosecutions in 2006-07 with fines of nearly \$3 million for breaches of the legislation. More than 21,000 workplaces were visited and more than 20,000 improvement notices issued, and we intend to continue acting for Queensland workers exposed to the harsh, unfair and complex federal WorkChoices laws through the office of the newly appointed Workplace Ombudsman, a recommendation from the independent inquiry by the QIRC into WorkChoices. The Queensland government continues to significantly invest in boosting workforce participation to meet the demands of industry. The Skilling Queenslanders for Work initiative will invest approximately \$80 million each year in employment programs to assist those most disadvantaged in the job market. The department will not rest on its laurels. As part of this initiative, \$3 million will be dedicated towards a Participate in Prosperity pilot program to address the barriers of finding employment for those experiencing continued hardship. I look forward to questions from the committee.

**CHAIR:** Thank you, Minister. The first period of questioning is allocated to non-government members.

**Miss SIMPSON:** Morning, Minister, and departmental staff. Minister, in your answer to non-government question No. 7 you in fact refused to answer that question. It was a question about the grants approved by your department. The handling of public moneys in your department to the private sector is big business. If you will not answer this question on notice, how can we expect you to answer other questions fully and openly here in the estimates process?

**Mr MICKEL:** Which question number are you referring to?

**Miss SIMPSON:** It was actually most of the non-government questions you failed to answer but specifically I refer to No. 7.

**Mr MICKEL:** Could I take a point of order, Mr Chairman?

**CHAIR:** Sure.

**Mr MICKEL:** The member tries to imply that I avoided answering the questions. The point is this: if you go to the standing orders, standing order 181(5) says that questions should not contain subparts and should not ask more than one question. Accordingly, what I did is follow the standing orders. So with regard to the implication that we somehow avoided answering anything, what I did was answer the one question. What I seek from you, Mr Chairman, is this: I noticed in the government questions one question was asked. How wrong it would have been of me to disadvantage the government members and advantage the non-government members.

**Miss SIMPSON:** That is just bull-dust.

**CHAIR:** Order! There has been a point of order taken. I am just going to take some advice on that. I do not think we want to go out of session and debate this at this time, unless you do, member for Maroochydore—that is, if you want to take this issue to discuss in private if that is the strategy you want to undertake. I suggest that we continue with the hearing and that you ask your next question.

**Miss SIMPSON:** Mr Chairman, with regard to my questions on notice to the minister, he actually failed to answer even the first part of that question. What we have seen is a continual contempt of this estimates process—

**CHAIR:** Order!

**Miss SIMPSON:**—where the minister did not answer any of that particular question.

**CHAIR:** Order, please, member for Maroochydhore. The implication of what you are doing is out of order. You must refer to an MPS, to a statement. If you want to complain about how the minister answers his questions, the minister can answer his questions as he deems fit. If you want to debate that, then we will go out of session and debate that. Until then, you should ask your question and you should refer to the MPS.

**Miss SIMPSON:** Minister, I refer again to question on notice No. 7 and refer to the MPS at page 1-15 that you failed to answer except—

**Mr MICKEL:** A point of order, Mr Chairman. The language here—I am trying to be cooperative. As you pointed out, I complied with the standing orders. The standing orders apply equally to the government members and the non-government members. The standing orders specifically state they will ask one question and they will not be questions in part. The inference that I avoided answering the question is therefore offensive to me.

**CHAIR:** Member for Maroochydhore, you have the call. It is your question.

**Miss SIMPSON:** Minister, I refer to non-government question on notice No. 7 relating to the MPS at page 1-15 where instead of answering the first part of the question you stated—

Will the member please specify the particular grant schemes to which she is referring?

The minister did not answer that question. No other ministers of your government have been as petty as you have been in failing to answer questions on notice. Minister, I ask you again: will you answer these questions on notice which have been put to you which other ministers of the Crown at least have had some more courtesy in trying to answer?

**Mr MICKEL:** Mr Chairman, I again refer you to the standing order and I find the tone of the member's questioning of me offensive. All I did was abide by the standing order.

**CHAIR:** The minister is correct. I refer the member to standing order 181(5). It is the minister's right under that standing order to decline to answer a question and the committee may report that fact in its report. We will now move to the next question.

**Miss SIMPSON:** Mr Chairman, I will refer again to the questions on notice—and there was actually more than one—where there was a problem with the minister failing to answer, but I note that he has failed to answer question on notice No. 7 about the grants program.

**Mr MICKEL:** Mr Chairman, could I go to the heart of that. Our reply was what grant is the honourable member referring to. If you look at the page of the MPS that the honourable member asked me about, it could have been about any number of grants. That is why the answer asked the member to please give us the detail of the grant that she was referring to. If the honourable member wants me to detail who received grants, I am happy now to provide that to the committee. But please just be a bit fair. Your questions, as they so often are, are very wide ranging and not particular.

**CHAIR:** Order! We are getting into a debate here. Member for Maroochydhore, I will give you one more opportunity to ask your question. But if we have to go into a private committee meeting to sort this out, then perhaps that is what we will do.

**Miss SIMPSON:** Minister, I ask: will you outline all of the grants that were approved in your department in 2006-07 reported separately in ground sheet form, which was the first part of that question? There were other subparts which you failed to answer in the question on notice.

**CHAIR:** Minister.

**Mr MICKEL:** Mr Chairman, I am not going to allow the member to continue to upbraid me when I have explained that all we did was abide by the standing orders.

**CHAIR:** You have the call.

**Mr MICKEL:** You want every grant, well here it comes: A and C Chemicals Pty Ltd; A and L Karamujic; A Cecchi and DP Cecchi and PG Cecchi; AE Brown and TL Brown; Ai Scientific Pty Ltd; A Mercer and J Bader; A Quick Fix Glazing Contractors Pty Ltd ATF Carmichael Business Trust; AV Davey and LR Davey; Active Torque Pty Ltd; AD and KA Pike; Adlina Pty Ltd; Advanced Metal Turning Pty Ltd; Aesteem Employment Pty Ltd; Agrobrest Australia Pty Ltd; Ai Scientific Pty Ltd; Ailort Pty Ltd ATF the Cordwell Family Trust; Ajnos Pty Ltd; Ajnos Pty Ltd ATF JPC Engineering Trust; Alan D Goodwin and Anglea L Mcgregor-Goodwin; Alan D Goodwin and Anglea L Mcgregor-Goodwin; Alexander Queensland Pty Ltd; Alfio Barbera and Rick M Scullen; Alfio Giuseppe Lizzio; Alfio Russo Pty Ltd ATF Russo Family Trust; Ali Elmohamed; Allan M Sellars and Linda Sellars; Allan Wesley Ah Shay; Allumbah PC Pty Ltd; Anella Holdings Pty Ltd ATF the Evans Family Trust; Canecutter Way; Anthony Helmut Czygan; Anthony Helmut Czygan again; Anthony Paul Wenning Family Trust; Anthony Paul Wenning Family Trust; Antio Pty Ltd; Anzbrook Pty Ltd ATF Squire Family Trust t/a Cairns Marine Aquarium Fish; Applied Facilities Management Pty Ltd; Art Deco in the Tropics Innisfail Inc.; Associate Professor Roslyn Boyd, University of Queensland; Association of Internet Researchers; Atalanta Willy and David Toner; Athanda Pty Ltd ATF the McKinnon Fleming Trust; Atherton Shire Council; Atherton

Tableland Air Service Pty Ltd; Auran Games Pty Ltd; Aurukun Shire Council; AusBiotech Ltd; AusBiotech Ltd; Aussie Lifestyle Industries Pty Ltd; and again another one for Aussie Lifestyle Industries Pty Ltd; Australasian Chinese Foundation; Australian British Chamber of Commerce; Australian Business Holdings Pty Ltd; Australian Catholic University—

**CHAIR:** Order. Are there many more?

**Mr MICKEL:** There are pages of them.

**CHAIR:** The time for that question has expired.

**Miss SIMPSON:** Mr Chairman, I ask that the minister table that document.

**CHAIR:** The committee has no power to order the minister to table the document. It is a matter for the minister as to whether the document is tabled or not.

**Mr MICKEL:** I have no problem at all in tabling that document.

**Miss SIMPSON:** It is a pity the minister did not answer the question on notice.

**Mr MICKEL:** Mr Chairman, do I have to continually put up with the barrage and rudeness of the member? I know she is excited.

**CHAIR:** Order! I am not going to allow the witness to be badgered, member for Maroochydhore. You have to temper the way you are conducting yourself here or we will go into closed session. That is the way it is going to pan out.

Leave granted.

**Miss SIMPSON:** In asking my next question, I note that there actually are a number of questions on notice and it would have been helpful if the minister had also tabled those responses. However, I will move to investment performance. I refer to MPS page 1-7 where it says that you attracted a total of 18 projects to the state resulting in the creation of 1,108 new jobs and \$900 million in capital expenditure. I understand your major investment attraction program is the Queensland Investment Incentives Scheme, QIIS. Can you confirm that these outcomes can be attributed to the QIIS grants approved in 2006-07?

**Mr MICKEL:** I thank the member for the question. You asked specifically about QIIS?

**Miss SIMPSON:** Yes.

**Mr MICKEL:** Can I give the committee this announcement? Mr Chairman, as a result of a company who has been working with the department I have an announcement today from Qantas. The RAAF tanker contract goes to Brisbane. Qantas said today that it would undertake the conversion of four Airbus A330 aircraft to the RAAF multirole tanker transport aircraft in Brisbane. The Executive General Manager of Qantas Engineering, Mr David Cox, said the project would be undertaken by Qantas Engineering in Qantas Hangar 1 at Brisbane Airport. The decision to choose Brisbane Airport was influenced by its on-site facilities and capabilities with RAAF A330 operations at the nearby RAAF base at Amberley. The hangar is currently being adapted for the role through the addition of doors and general facility upgrades to ensure that the conversion, taking up to six months per aircraft, can be conducted in a stable, controlled environment.

Conversion of the aircraft is a major project involving several substantial changes to the aircraft structure, operating systems and avionics to incorporate fuel receptacle capabilities, storage, distribution and dispensing systems and other RAAF requirements. Mr Cox said that the project, which would commence in May 2008 and extend through to 2010, would lead to the recruitment and training of almost 100 specialist aircraft and engineering staff. The decision follows Qantas Defence Services being awarded a contract in February 2007 with the Defence Materiel Organisation to provide through-life support and maintenance to the Royal Australian Air Force fleet of five A330 multirole tanker transport aircraft.

The reason I wanted to let the committee know this is that I have just been handed this announcement prior to coming here. The company has been working with our department for a number of years to make sure that those sorts of companies are attracted, as I said in my opening statement, to the aviation sector. That is wonderful news for Queensland. It is part of an ongoing assistance program we have with our department and business.

Let me say this: in order to grow strategic industry capability, the Queensland government continues to seek and develop targeted industry sectors. We were instrumental in attracting 18 projects to Queensland in 2006-07. These projects will create an estimated 1,108 new jobs and result in an estimated \$902 million in capital expenditure. The investments attracted were in the sectors of aviation—and I would love to be able to tell the committee what they were in addition to the great Qantas announcement today.

**CHAIR:** I am not sure that an extension of time is forthcoming.

**Miss SIMPSON:** I refer again to the question I just asked in relation to page 1-7 of the MPS. While I appreciate the announcement you have made, you still did not answer the question I put to you and I seek your answer. I understand your major investments attraction program is the Queensland Investment Incentives Scheme. Can you confirm that these outcomes can be attributed to the QIIS grants approved in 2006-07?

**Mr MICKEL:** I did answer the question. What I said to the committee was that, because we have been working through a number of investment attraction schemes, that is how you get Qantas here. That is what happened. I also say to the committee—I was finishing answering this—we attracted an estimated \$902 million in capital expenditure. The investments attracted were in the sectors of aviation—Tasman Aviation Enterprises, Raytheon and Australian Aerospace. In terms of advanced manufacturing we attracted Ludowici, CSR Brickworks, Firewire—which I understand some committee members have visited—Primary Energy, Dyno Nobel, Luoyang Glass. In the information and communication technologies, there was Internet Security Systems. In processed food, there was Greenmountain Food Processing, CJ Nutracon, Chalet Patisserie and Smith's Snackfood. In services, there was Cement Australia.

Head offices were attracted—I know one of them was on the Sunshine Coast. The importance about attracting head offices is that they pay higher salaries, they bring decision makers to Queensland and it increases our opportunities for local companies to bid on national and international contracts. Let me give an example of a couple of head offices that were attracted. There was Ludowici Ltd. It purchased the 46,000 square metre site on Randle Road, Pinkenba to consolidate four existing Brisbane sites into a single facility. The company made the decision in January 2007 to relocate its head office from Sydney to Brisbane along with 21 full-time employee positions. The decision by the company, which is a global leader in mineral processing equipment, represents a significant endorsement of the government's manufacturing strategy, Making Queensland's Future, as well as the government's Smart State strategy.

PlanTec is a leading provider of business solutions and system integrated expertise that develops business intelligence solutions for financial and banking industry clients. Other industry verticals where PlanTec has a presence include gaming, utilities, transport and industrial, voluntary organisations and the federal government. PlanTec relocated its head office operations from Sydney to Brisbane in 2006. The office started with three full-time people in the Brisbane office. Now it has expanded to 15 full-time employees and over 15 contractors. Sport Lived is a UK based gap year company that arranges for young people, mainly students from the UK, to play in code sport in Australia and New Zealand. In 2005-06 this company organised for 30 overseas postings. In 2006-07 the company will have organised over 115 positions. It has two full-time staff based in the Brisbane regional office and is expected to grow over the next two years.

**Miss SIMPSON:** Minister, I refer again to page 1-7 of the MPS. It says that you attracted a total of 18 projects to the state, resulting in the creation of 1,108 new jobs and \$900 million in capital expenditure. Page 1-12 of the MPS states that 30 companies were attracted to invest and reinvest in Queensland. Page 1-13 of the MPS states that the value of capital investment generated through business and market services was \$1.5 billion. I assume that this includes outcomes from the Queensland Industry Development Scheme. Finally, in a question on notice in late May this year you stated that 19 projects were attracted with investment of \$1.08 billion, creating 14,071 jobs. What are the contract figures in terms of the QIIS projects approved in 2006-07?

**Mr MICKEL:** Again, we are having difficulty with the number of times you jumped around dot points. You also referred to a question on notice. Could I get clarification on which question on notice it was.

**Miss SIMPSON:** No. 282—late May—in which you stated that 19 projects were attracted and investments of \$1.08 billion creating 14,071 jobs.

**Mr MICKEL:** What was your question again?

**Miss SIMPSON:** There are a number of different figures about the investment, the jobs and the capital that has allegedly resulted. A lot of government issued figures are conflicting. I am asking: what are the contract figures in terms of QIIS projects approved in 2006-07?

**Mr MICKEL:** Mr Chairman, if it is okay with you, I will ask John Strano to give a detailed assessment. I also note for the committee that Mr Strano has been instrumental in working with Qantas and with most of these companies to ensure that Queensland keeps moving ahead and diversifying as a direct result of this scheme. I would like him to share in the glory.

**CHAIR:** I do not think that was three minutes. The bell was for the session time. We will hear this answer.

**Mr MICKEL:** We are happy to give the answer. It is a great answer.

**Mr Strano:** The question relates to the outcomes from a number of activities across the Department of State Development. Investment attraction is one of those. That global figure that you mentioned includes everything done through the QIIS and through companies that are actually attracted

without the use of incentives plus the results of activities through the Queensland Industry Development Scheme and other activities through state development centres and the department and the venture capital team. There is a whole range of activities rolled up into that number.

From what I can see, the other numbers are fairly consistent. There were around 18 or 19 attracted by the investment team throughout the year. These numbers change sometimes as companies make an announcement and then something changes. In terms of QIIS, we only report those projects where there is a signed agreement during the year. Before the end of the financial year we may expect that one will be signed and it is not signed. So there are small changes at the margins. Basically, the official figure is 18 for the financial year just gone of which six are QIIS projects.

**Ms JONES:** Following on from the exciting announcement about Qantas this morning, page 1-10 of the MPS refers to continuing the implementation of the Queensland Aviation Industry Development Plan to help build the critical mass of the sector. Minister, how is this plan developing and what success has it achieved?

**Mr MICKEL:** Thank you again for giving me the opportunity to acknowledge the huge investment by Qantas today. Qantas has chosen Brisbane Airport for the site of the modification of four air refuellers for the Australian Defence Force. The work is part of a \$1.4 billion contract for the acquisition of the refuellers from EADS in France. As you know, the government is committed to making Queensland an aviation and aerospace hub for the Asia-Pacific. I was pleased the other night at a meeting of aviation experts that they were willing to acknowledge quite freely the magnificent role played by other firms and particularly the assistance given by the government.

So after almost a decade of unprecedented industry growth, Queensland is now regarded as the centre for Australia's aviation industry, the centre for Australia's rotary wing—that is the helicopter industry—the centre for Australia's aviation training industry, the emerging centre for Australia's general aviation industry, and as developing a hub for research and development of emerging aviation technologies. In excess of 6,000 new jobs have been created in the industry since 1998 as a direct result of government and industry development and investment attraction activities.

It is estimated that there were fewer than 3,000 jobs in this industry across the state before 1998. A critical mass of aviation capability has been delivered through the implementation of an aggressive and targeted investment attraction strategy that includes the international aerospace firms of the Virgin Group, Boeing, EADS Australian Aerospace, the Daher/Aviation Australia Composite Component Factory, Smiths Aerospace, the Raytheon Centre of Aerospace Excellence, Sikorsky/Helitech, the Singapore Flying College, Hawker Pacific, Pratt and Whitney, and Qantas. The Flight Training Group, that is the Young Brothers Hong Kong Greenfield Pilot Training School, with the development in Maryborough will employ modern design principles to create an integrated pilot training campus incorporating operational buildings such as a hangar, classrooms, a simulator section and flight operations with residential accommodation, dining and recreational facilities sufficient to cater for up to 200 students at any one time.

The Queensland government with its strategic partners is providing leading-edge airport infrastructure at Brisbane airport and adjacent to the RAAF base at Amberley. As a result, global aviation companies have established major facilities at Eagle Farm and will use the planned Amberley Aerospace Park to service commercial opportunities that will flow as Amberley moves towards megabase status. We are implementing a comprehensive skills development initiative to promote sustainable industry growth. This covers all aspects of training and education, including apprentice and technical training, secondary schools and universities. There is so much more. I would love to be able to develop that.

**CHAIR:** You can ask for an extension of time. I will give the call to the member for Capalaba.

**Mr CHOI:** Page 1-7 of the MPS indicates that helping small businesses innovate and become smarter is one of the ways in which we are achieving a strong and diversified economy. Can you advise the committee what changes you have made to your departmental grants scheme in order to meet that goal?

**Mr MICKEL:** Thank you. I note your deep interest in small business. I thank and acknowledge you in front of your committee today for chairing the Small Business Advisory Group for me. Thank you for giving your time for that.

The new direction in business grants will ensure that Queensland's small businesses are able to face the challenges of a shift in the global economy. Small business will be eligible to apply for assistance under the new schemes. An effort will be made to ensure that the financial incentives provided have the right balance between commercial time frames and public accountability.

There will be a six-month transition process from the old schemes to the five core sectoral schemes. The new Grants Review Implementation Advisory Group will provide the department with input as new guidelines and procedures are developed for our schemes over this period. Applications for some existing schemes, such as the Leadership and Management program, the Regional Business Development Scheme and the Women in Business Coaching program will close tomorrow. These schemes experienced low take-up rates in comparison to some of our other schemes.

With regard to the new core schemes, all should be in place by early next year. I anticipate that some of the new schemes, such as the revised Queensland Industry Development Scheme, the Significant Regional Projects Scheme and an industry and sectoral projects scheme will be established in the second quarter of this financial year. In the meantime, the department will continue to provide a range of financial and non-financial services to small businesses. Non-financial services include workshops and seminars to improve management, exporting, capital raising and investment pitching skills; online business management skills programs, particularly in the area of business planning and diagnostic tools to help understand how well a business is operating; one-on-one consultations with state development centre officers; and a business information service which provides information and referral services to business either by telephone or online. DSD will be enhancing its service delivery offering, which will have a series of what we call off-the-shelf products that small business can access at little or no cost. Small to medium sized businesses, as you well know because you come from that background, are the backbone of our economy and they will continue to have our support.

**Mr GRAY:** Page 1-4 of the MPS refers to improving the business environment and enhancing business efficiency. How will the work that the department is doing on regulatory reform benefit business?

**Mr MICKEL:** Thank you for your question. The Queensland government has long recognised the need for a sustained focus on regulatory reform to enhance the competitiveness and productivity of the Queensland business environment. To date, the Red Tape Reduction Task Force has played an important role in providing valuable business input into the regulatory reform activities of the Queensland government. This includes overseeing the red tape reduction stocktake process, which has identified savings to business of more than \$98 million since 1999 from the government's red tape reduction initiatives.

The 2005-06 stocktake alone represents significant savings to business of over \$6 million. Key initiatives include more efficient licensing processes and the continued expansion of online services. During 2005-06, four public reviews were completed under the banner of the Red Tape Reduction Task Force with respect to the current regulatory environment and its impact on Queensland business. The completion of these reviews coincided with the review conducted by the Service Delivery and Performance Commission, which is phase 1 of the review of legislative and regulatory reform initiatives in the Queensland government. As a result of the findings of the reviews, the Queensland government has committed to a significant regulatory reform agenda, the scale of which is unparalleled in the state's history. The Queensland government is also an active participant in the Council of Australian Governments' national reform agenda.

Queensland's reform agenda aims to increase the competitiveness and efficiency of Queensland business and improve the attractiveness of Queensland as a destination for business development and investment. To achieve these outcomes, the agenda is focused on targeting systemic regulatory issues to reduce the regulatory burden on business imposed by the three levels of government and improving the processes and culture of regulation making and review across the Queensland government. With respect to investigating systemic regulatory issues, it is intended to target regulatory impediments impacting on marine infrastructure and aquaculture developments. Options for new business advisory arrangements to support the government in implementing its reform agenda are currently being considered.

The cabinet regulatory reform committee will oversee major legislative reviews across the Queensland government and drive the national and state regulatory reform agenda at a whole-of-government level. In February 2007, I established the Queensland Office of Regulatory Efficiency within the Department of State Development to lead the development and implementation of Queensland's reform agenda. This office will provide policy and operational support to the cabinet regulatory reform committee. I am advised that significant progress has already been made on a wide range of reform initiatives, including specific commitments made by the Queensland government in the regulatory reform plan, endorsed by the Council of Australian Governments in April 2007. Key issues that will be considered by the committee in the coming months associated with implementation of the reform agenda include—

**CHAIR:** You can finish off your sentence; I am not that strict.

**Mr MICKEL:** It is a long sentence.

**CHAIR:** Unless, of course, it is a long sentence.

**Mr CHOI:** Page 1-8 of the MPS refers to the government trying to address the impact of worldwide skills and labour shortages. Can you advise the committee what you are doing in particular in the area of the manufacturing sector?

**Mr MICKEL:** I again thank the member. The government's substantial research and consultation in preparing its manufacturing strategy identified the range and scale of issues associated with shortages of skills and labour. Chief among these were the industry's image and the ability to attract new entrants, the availability of relevant high-quality training, and industry engagement with training

providers and greater ownership of skills formation solutions. Skills shortages have been identified across most manufacturing subsectors in varying degrees of severity. Shortages range from entry level and semiskilled positions through to qualified tradespeople, paraprofessional and professional occupations.

The initiatives introduced under the manufacturing strategy and Advanced Manufacturing Plan have been designed specifically to complement the thrust of the Queensland Skills Plan. Key sectors such as engineering machinery and equipment, marine industries, biotechnology, aviation and aerospace, food processing, light metals and electronic equipment manufacturing are benefiting from a range of strategies to attract, develop and retain a skilled labour force. A core government priority in addressing manufacturing skills and labour shortages has been to link schools with local manufacturers in partnership arrangements. These partnerships are designed to provide students with direct access to career opportunities across the range of manufacturing subsectors and raise the awareness and skills levels of young people.

The Department of State Development is providing funding under the High Schools Manufacturing Awareness Initiative to facilitate school and industry links and expose students, teachers and parents to the excellent career opportunities on offer. To facilitate the development of technical skills, the Department of State Development is funding schools through the \$3.5 million Workplace Excellence Program in partnership with the Department of Education, Training and the Arts, to undertake projects with the guidance and support of local manufacturers. These projects have been successful in building the technical and trade skills of young people, developing employment pathways between schools and industry and giving students direct access to job opportunities.

A key component of a vibrant manufacturing sector is ensuring that young people are adept at production technologies. To achieve this, the Workplace Excellence Program has provided \$1.2 million for a design innovation challenge to establish a cluster of technology hubs in Queensland secondary schools under the Re-Engineering Australia banner. This exciting program, delivered with industry partners, develops skills in computer aided design and high-end manufacturing processes. Between 2005 and 2007, the Department of State Development established 20 technology hubs in high schools from Thursday Island to the Gold Coast.

**CHAIR:** There are a number references in the MPS, particularly on pages 1-3, 1-7 and 1-10 to the ethanol action plan. Can you explain what progress is being made in relation to the implementation of the ethanol action plan, particularly in terms of the impact on ethanol usage and consumers choosing to use ethanol blended fuels?

**Mr MICKEL:** The Queensland Ethanol Industry Action Plan 2005-2007 is a \$7.3 million investment in the ethanol industry and I think it has been successful. In considering the success of the Queensland Ethanol Industry Action Plan 2005-2007, it is important to remember that the intent of this plan was to help overcome the barriers to the development of an ethanol industry in Queensland. The key barriers identified were the distribution of ethanol blended fuels and consumer acceptance of them. Therefore, the plan provides funding towards converting service stations for ethanol blended fuels, ethanol blending infrastructure, and an education campaign to inform motorists of the benefits of ethanol-petrol blends.

Of the \$7.3 million, \$4.82 million has been allocated to assist firms with converting service stations, developing blending and storage facilities and ethanol to diesel fleet conversions. To date, of this allocation, \$4.2 million in assistance has been awarded to firms for 22 projects including the conversion of 250 service stations; to 10 companies to enhance distribution-storage facilities; to three blending facilities; and to two diesel-ethanol fleet conversions. Funding from other sources has also been provided to firms for general marketing. The number of service stations retailing ethanol blended fuels has risen from approximately 40 in December 2005 to 249 service stations as of June 2007. A further \$2.28 million has been committed to the +e Ethanol Powered by Nature Communications Plan. This plan has also been successful with survey results showing the number of people who have purchased ethanol blended fuels has risen from one in six to two in five between December 2005 and April 2007.

Racing legend Sir Jack Brabham OBE, high-profile auto industry expert Juliet Potter, and V8 racing car driver Shane Beikoff are Queensland government recruits to help drive consumer confidence in the +e ethanol campaign. The measure of its success? Next Friday, 20 July, Queensland's largest race day is on at the Queensland Raceway in Ipswich. Shane Beikoff will be racing the +e-branded V8 super car during the Queensland 300 development series. This year for the first time all V8s are racing on five per cent ethanol blended fuel.

**Ms JONES:** On page 1-17 of the MPS dot point 9 refers to new projects being attracted to Queensland. Can the minister provide examples of how this investment attraction aligns with the government's Smart State strategy?

**Mr MICKEL:** Since our government came to power in 1998 we have worked rigorously to transform Queensland, as I said in my opening statement. I am pleased to say that I think there has been success across a range of areas. A central part of this industry development policy has been to

focus our efforts on establishing an economic environment that is conducive to attracting industry as well as providing leadership to develop a number of key target industry sectors. These are industries in which Queensland has a competitive advantage and they are also industries that utilise and develop the skills of a smart workforce.

One of the key measures that the government has used to achieve its objectives has been to grow these key sectors through attracting strategically significant, job-creating projects to Queensland. The attraction obviously has been facilitated through the selective use of the Queensland Investment Incentives Scheme. It has been instrumental in attracting and influencing the location of over 100 important projects and leading companies in the state. The success has resulted in the creation of thousands of jobs and approximately \$500 million, I am advised, in capital expenditure since the government won office in 1998.

In 2006-07, the government was involved in attracting 18 projects to Queensland, creating an estimated 1,108 new jobs and involving an estimated \$902 million in capital expenditure. I will just give you a range of those companies. I gave them to you before but I will recap on the good news because you should not just announce it once.

In aviation, it is Tasman Aviation Enterprises, Raytheon, Australian Aerospace. In advanced manufacturing, and bear in mind that there is a view in the community that nothing gets manufactured here anymore, there is Ludowici, CSR Brickworks, Firewire—and if you want to see a great firm that started off in a little shed in Burleigh Heads, go see Firewire because they are exporting surfboards to the United States—Primary Energy, Dyno Nobel and Luoyang Glass. In information and communication technologies, we have Internet Security Systems. In processed food, we have Greenmountain Food Processing, CJ Nutracon, Chalet Patisserie and Smith's Snackfood. In services, we have Cement Australia. As I mentioned to the committee before, in head offices we have Ludowici, PlanTec and Sport Lived.

**CHAIR:** Thank you. It is now time for non-government questions. I call the member for Maroochydore.

**Miss SIMPSON:** Minister, I refer back to investment performance in MPS 1-7 and your prior answers to government members as well as answers provided by your government. I note that there is still a disparity in the figures presented. You have \$900 million in capital investment on page 1-7 of the MPS coming through the scheme yet page 1-13 refers to \$1.5 billion being generated by the output in this circumstance. Minister, these figures are contradictory and I seek your explanation.

**Mr MICKEL:** Can you say again what you are referring to on page 1-13?

**Miss SIMPSON:** You have different figures for capital investment on pages 1-7 and 1-13 of the MPS. One figure is \$900 million and the other figure is \$1.53 billion.

**Mr MICKEL:** I will ask John Strano to answer.

**Mr Strano:** I repeat the answer. The second figure in the rolled up figure in the latter stage of the MPS is a figure which involves a whole range of other projects attracted by the department or facilitated by the department quite apart from the investment attraction activities of the department. I think there is one major project there which has \$500 million in capital expenditure in central Queensland which is included in the second figure. That is probably why if you look you will see that the target figure for next year is less than that. Occasionally, there is a larger than normal project. There are a number of projects in there that I believe are related to biofuels where the government has facilitated but not provided incentives. They are included in those numbers.

**Miss SIMPSON:** Thank you. Minister, continuing on with investment under these MPS outputs, why then in the period from July 2006 until June 2007 has only one media release been issued by you announcing that a new investor had received a QIIS grant?

**Mr MICKEL:** Show me what MPS page you are referring to again and I will see if we can enlighten you.

**Miss SIMPSON:** We have been referring to total capital investment but more specifically the Queensland Investment Incentives Scheme grants. The minister has referred to these grants, but in the period between July 2006 and June 2007 you have only issued one media release, I understand, in regard to one new investor who has received a QIIS grant.

**Mr MICKEL:** I am slightly confused. Am I on the carpet here because we have undersold our success? Is that what it is? The number of press releases does not get into the MPS. I was not the minister from June 2006; I was the minister from September. Believe me, if I could put out more media releases about our success I would. I will have a stern word to my media adviser, who is listening downstairs now, to make sure he announces more success stories.

**Miss SIMPSON:** The reason I refer to the QIIS grants and have pursued that aspect of where those grants have gone is that there is concern about the need for accountability in that grants system and for more detail to be made available as to what those grants are and also what is involved in those grants. I ask the minister: in future under this reformed grants system, will you also be implementing a system where the information on the grants will be tabled publicly and the public will have access to what the government is handing to private industry?

**Mr MICKEL:** I will throw over to the director-general to answer that. It is pretty easy.

**Mr McCarthy:** The committee may recall that the Premier issued a press release on 19 March this year whereby he released details of a number of projects that had been recipients of Queensland Investment Incentives Scheme funding in the past and that all information relating to QIIS recipients will be released, if I recall correctly, eight years after they have been identified. All of the information that relates to the recipients is actually declared earlier than that, with the exception of the amount of money involved. So the information is publicly available.

Secondly, in terms of the accountability, quite detailed corporate governance activities take place within the department. All proposals are subject to committee dissection and observance, and significant due diligence is also applied to all of the applications. Needless to say, the Auditor-General also takes an ongoing interest in all of the governance activities associated with our funding schemes. They tend to be very closely watched and reported on publicly, as the Auditor-General does to parliament on an annual basis.

**Miss SIMPSON:** Minister, I refer to page 1-15 of the MPS, and this is to do with grants and subsidies. I am happy to take this on notice. I ask particularly for information for 2006-07 of how many businesses with fewer than 20 employees—which is the ABS definition of a small business—were awarded grants of more than \$100,000?

**Mr MICKEL:** Let me just tell you the task you have set us. There have been 717 grants given. What we will then have to do is go back and try to find out how many employees they have. But would that be whether they currently have 20 or they did have 20? What if they have grown? What are we going to do then? Is the date of application okay? What if they had 25 and went down to 20? What I am trying to do is help you here but, by God, you have set us a sizeable task. Is this really going to help your edification?

**Miss SIMPSON:** The question really pertains to how many small businesses have had grants of more than \$100,000.

**Mr MICKEL:** That list I tabled before—and that is an extensive list—will have all of the small businesses that received money and there will be large businesses as well. I think you would appreciate that for us to physically go and check to see whether at the time of either application or receipt of grant they had 20 employees is a massive task you are asking us to do.

**Miss SIMPSON:** On a point of clarification—

**CHAIR:** No, the minister has the call.

**Mr MICKEL:** Let us answer it this way. I will tell you what we have done for small business, and I do not know whether they had 20 or 25 employees or whatever the number is. We had 15,800 one-on-one business consultations in 2006-07; 611 business information and skills development workshops and seminars were delivered to 13,700 businesspeople; 680 information packages were distributed to clients; and—this is the important thing—233 businesses were assisted to become first-time exporters. That is a great criterion to have.

**Miss SIMPSON:** Minister, the point of my question is really to establish how well or how badly small business is doing in regard to the grants system in your department. Whether businesses have 19 or 21 people, the main thrust is, under the standard definition of a small business, how many were awarded grants of more than \$100,000?

**CHAIR:** You have already asked that question.

**Miss SIMPSON:** And I would love to have the minister take that on notice because I appreciate there is detail there. I want to understand what the department is doing with regard to its grants system and small businesses, or is it only the big end of town that has got the primary access to the bigger grants system?

**Mr MICKEL:** Mr Chairman, the member asked me to table from the outset a list of firms that had grants. The reality is that 96 per cent of businesses in Queensland are small to medium sized enterprises. By definition, they are going to get a sizeable chunk of those grants. The firms that I have read out under QIIS, whilst they might be large businesses, also under linkage effects employ small business—that is, they contract out to small business. That is why the question is a bit of 1950s sort of stuff. It does not recognise that businesses today have linkage effects.

Let me give you an example. For instance, Lockheed Martin want to develop a joint strike fighter. Now Lockheed Martin get awarded the contract, but one of the things Lockheed Martin said to us is that it wants to make sure that small to medium sized enterprises in Queensland get a chop at the supply of

that capability. Equally, when we did the airshow down at Avalon there was a large contract given to a firm in Queensland. Anybody who has ever done a Defence contract knows that the paperwork for that is such that you need a pole vault to get over it. So small businesses do not usually set themselves up for that. However, it was given to a large company which subsequently gave parts of that contract out to smaller businesses, and those smaller businesses benefit from that without having to do that mountain of paperwork that Defence would otherwise require. Accordingly, just because one business might benefit does not mean that other downstream businesses miss out. That is a point I wish to stress to the committee. Please do not look at things in isolation.

Can I conclude by saying that the Smart Small Business web site had 502,465 user sessions. The Smart Skills online had approximately 300,000 pages viewed and 10,000 learning subjects completed.

**Miss SIMPSON:** Minister, I note that you have announced that there is going to be a revamped grants system. I seek your assurance that minimum grant amounts will not be set so high that, where you require a dollar for dollar contribution, small businesses would be priced out of these grants. For example, if the minimum grant is increased to \$100,000 or even \$50,000, most small businesses will not be in a position to access the grants.

**Mr MICKEL:** Mr Chairman—

**CHAIR:** You did not actually ask a question.

**Miss SIMPSON:** I asked the minister for an assurance that there was not going to be a minimum grant amount set in the revamped grants system that would create a difficulty for a dollar for dollar contribution of small business.

**Mr MICKEL:** Let me answer this question in this way. Just on the volume of material that my department has been asked to prepare and give this committee today, for us to give a \$3,000 grant with all the process in sending a public servant out there to talk with the firm, to work up the application, for that regional office to then prepare the paperwork and send to head office to do the due diligence tests, for that process to then be scrutinised internally—as it should be—and then subsequently to be checked, if it has to be, by the Auditor-General, for them to supply that material to me so I can check it off, for that process then to be available in parliament for you, quite rightly, to question it, there comes a point at which a \$3,000 grant given to a business costs considerably more than that to administer.

What we are trying to do with this process and what I am concerned to do is to make sure that we get dollar value for small to medium sized businesses out of a new refined process that does not tie us up. No longer can we be in this dynamic economy all things to all businesses, and I do not want to be. I simply say this: I think when you have a robust economy like ours you need to be mature in your thinking to say, 'Is a small grant on a diagnostic test for a business going to make that much difference?'

However, rather than be hard-minded about it, that is why I have asked Dr David Watson to chair an implementation group. That is why I have asked Larissa Bright—a very successful small businesswoman from the regions—to be on this implementation group. Why? Because I want to make sure that any changes we bring in do not disadvantage businesses that are involved in three things: growth, innovation and export. Because they are the three drivers for me. I want to see firms that want to get into that growth market; that want to grow their businesses. I want to see people who want to innovate given that opportunity to innovate.

I have already had discussions—pleasing discussions—with the federal government about seeing how our schemes can align with the federal schemes to make sure that we are export oriented—that is, that we are not crossing over or providing duplication for people who, let us face it, in small business have already been saddled with a massive amount of paperwork from the GST, from the BAS and from all the other constraints that the federal government places on them.

**Miss SIMPSON:** Minister, I turn to page 1-7 of the MPS in regard to regional development objectives. You accused the Cairns Region Economic Development Corporation of not being accountable when you withdrew the funding and then reneged on paying them money owed for the last six months. You also have a number of other regional economic development organisations which have not received any increase in their funding in line with inflation, and I ask: are you intending to wind down regional economic development groups? Because the uncertainty in the industry of people who engage in the grassroots with small business is that government no longer supports regional economic development groups.

**Mr MICKEL:** Mr Chairman, there are about three or four different questions in this one question. Let me answer it this way. You referred to the Cairns group CREDC. I notice that you also said on ABC Far North drive time at 4.21 pm on 27 June—

CREDC has been a major success story and urges the State government to do a backflip to continue to support CREDC including replicating it in other parts of the state.

Well, I will give you the drum: I will not be replicating their behaviour anywhere. They have received almost \$2 million since we got into government, some of which was seed funding. We wanted them to progress to project funding about 18 months ago. When we looked at the figures, this is a business organisation. Most of the dough came from the state government and the federal government, and they were not delivering what we had asked them to do. Yet the member asks me to replicate this nonperformance throughout Queensland. I simply say this: one day the way the election cycle goes, and the way your leader is going in the polls, you will be either the Leader of the Opposition or the Premier. If you are going to replicate that sort of nonperformance, then I will be sitting where you are and I will tear you down. Because you have just asked me about making sure that taxpayers' money is appropriated in the right way, and yet when it comes to a little group that you favour I am supposed to just turn a blind eye to accountability—all the things that in your previous question you said I should abide by.

I just say to the committee, Mr Chairman, I cannot afford to pick and choose what I am to be accountable about. It is not my money; it is taxpayers' money. Whilst ever it is taxpayers' money I will make sure that it is appropriated in the right way. My difficulty with this organisation is this: there have been a number of people enjoining me to make sure that the state contribution stays high. They are noticeably silent on the fact that, as I am advised, the federal government gives substantial amounts of money. Why do they not enjoin the federal government to pick up the tab? Or, if it is such a great success, why does the business community in Cairns not support its own business community? Why not? It seems a dreadfully simple proposition to me.

**CHAIR:** Minister, I am going to have to ask you to wind your answer up there. It is time for government questions. I call the member for Gaven.

**Mr GRAY:** Minister, page 1-14 of the MPS refers to increased Defence project opportunities, some of which I witnessed at Brisbane Airport. Would you elaborate on how strategic funding assistance by the Queensland government through the Department of State Development has increased Queensland's share of the Defence market?

**Mr MICKEL:** I thank you for your question but also for your interest in coming out to the Brisbane Airport. I say to all committee members, if you want to get firsthand knowledge of what is going on out there, please let us know and I will arrange a brief for you. It is first class. Civil aviation is important, but increasingly for us in Queensland so is the Defence side of aviation. We are pleased with what is going on at Amberley, and I thank the federal government for that investment. We are also pleased with what is indicated for Townsville.

I also want to thank and acknowledge the staff for what they have brought about. I think John's team with Melanie and Meryl—I am going to get into trouble here because I am going to miss some of them. Come on, give me a hand.

**Mr McCarthy:** And the others.

**Mr MICKEL:** And all of the others listening up there in the balcony—have done a fantastic job. They have done a top job, and they are recognised throughout Australia. I know in these great times all of these people could get more money in the private sector. It is a credit to them that they stay in the public sector offering first-class service to the people of Queensland.

But let me answer your question specifically. Yes, we have attracted firms like Boeing, EADS, Australian Aerospace, Qantas, GE Aviation, which was formerly Smiths Aerospace, and Raytheon. Since its relocation in 1998, Boeing has won major Defence projects including the Wedgetail airborne early warning and control aircraft, the VIGILAIRE ground control system, the supply of tactical unmanned aerial vehicles and the upgrade of the high-frequency communication system.

Our Smart State innovation funding has been provided for the Australian Research Centre for Aerospace Automation, which is a joint venture between the Queensland University of Technology and CSIRO into unmanned aerial vehicle research and development. Boeing Australia and Boeing Phantom Works have been closely associated with this unmanned aerial vehicle activity, and I might say the people of Kingaroy are the major beneficiaries of that announcement.

The Queensland government has also expended some \$19.7 million for the establishment of Aviation Australia, and I know that the chairman is from the Cairns area. You will see the wonderful job that is being done there in Cairns as well, training people through that scheme. The main recipients of this training and education have been the Defence aerospace industry. These programs run the full gamut from aerospace aviation training through the gateway program in secondary schools to a number of tertiary programs in leading Queensland universities. EADS and Australian Aerospace were attracted to Queensland in 2001 through the QIIS scheme. They have won major Defence aerospace contracts for the supply—and you were there that day—of 22 Tiger armed reconnaissance helicopters and 46 MRH 90 troop lift helicopters from their Eagle Farm facility.

**CHAIR:** I refer to page 1-2 of the MPS which highlights the Centres of Enterprise election commitment to work with regional players to progress the six localities identified and capitalise on opportunities and strengths. How is this commitment progressing and what achievements have already begun to flow?

**Mr MICKEL:** I am pleased to indicate that it was an election commitment and it is an election commitment that we have honoured. We were recently in Cairns. I know the member for Maroochydhore was in Cairns on the same day that I announced this. She was in business class; I was in economy class. She is on her way up. From the opinion polls today she is on her way up and she should be in business class.

My visit to Cairns on 27 June to formally launch Cairns and Far North Queensland as a centre of enterprise completed the rollout of the initiative across Queensland. Six Queensland regions have been earmarked for strategic regional development. Government and industry resources will be targeted into those industries with the potential to reap the greatest rewards for local economies.

What we have done is this: regional profiles have been developed and released in each of the six regions to assist the planning process. These profiles outline the strategic economic advantages of the region. They highlight the key sectors with potential for growth and provide information about significant current projects and infrastructure that will enable further economic development.

Consultation with key regional stakeholders has now taken place in each of the six regions with priority industry sectors identified. Now, your area in Cairns, far-north Queensland, is a centre for regional aviation services in the Asia-Pacific region and a centre for tropical expertise. I know John has been having discussions with an aviation sector there and I am hoping we will have some further good news to announce for Cairns soon. They are developing and maximising returns from tropical research. Cairns, like Townsville, is the home of that centre of excellence in itself, James Cook University, which does excellent work in tropical research.

Townsville and northern Queensland, of course, are the centre of that great triangle and so the focus areas are value added minerals processing and again it is the centre of JCU, so tropical expertise. But also Townsville is a great centre for value added foods and horticulture. If you look at the contribution of the Mackay-Whitsundays area you will see that mining and mining services dominate that economy at the moment. It is also the South Pacific centre for marine services.

If you go to Fitzroy, central western Queensland, it is the centre for manufacturing, engineering, industrial services, as well as supporting mining resources and agribusiness. It may surprise the committee that when we looked at Wide Bay we found that aviation was a key—not just in terms of the massive number of flights into Hervey Bay but Young Brothers Aviation is setting up in Maryborough as a centre for aviation training, and, as I alluded to before, Kingaroy. I congratulate the mayor up there who has been very, very proactive in making sure that that centre becomes internationally known as an unmanned aerial vehicle testing facility.

Of course, the Darling Downs and south-west are predominantly now centres for energy, coal, gas and, of course, the power stations and food processing. In other words, each region has a strategic advantage. What we want to do is make sure that our schemes focus on and help widen those economic opportunities from those regional differences.

**Ms JONES:** You touched on this before in answering a question regarding page 1-7 of the MPS. The department has targeted the development of Queensland's strategic industry sector and, in particular, the Local Industry Policy aims to strengthen the supply chain. In what ways has this policy benefited local businesses?

**Mr MICKEL:** Let us go through it. We fund the Industry Capability Network to work with major project proponents to identify competitive Queensland manufacturers for the tender process—as you said, as I alluded to before. Since this policy's inception, the network has assisted in over 60 local industry participation plans and 2,800 substantive capability inquiries from major projects such as Comalco Alumina Refinery, Swanbank Power Station and ports expansion.

The direct returns on the government's investment in implementing the local industry policy have been substantial. From the policy's introduction to May 2007 Queensland companies had won, I am advised, 1,021 work packages valued at more than \$2.6 billion including \$780 million awarded to regional firms. I am advised that the total value of contracts won statewide equates to more than 39,000 jobs created or retained. In 2006-07 alone, on projects where the industry capability network had a direct role, I am advised that local suppliers won contracts worth over \$167 million. Tarong Energy, for example, with the assistance of the industry capability network, was the first organisation to achieve a successful outcome for local industry participation on a major project, the Tarong North Power Station.

Subsequent projects built on this success, I am advised, include the Suncorp Stadium redevelopment, the north Queensland gas pipeline and, in the private sector, the Comalco Alumina Refinery. In this group of projects alone over \$1.36 billion of contestable contracts were awarded to Queensland companies. I am advised of this example: in relation to the Hail Creek Mine, over 86 per cent of the total value of the project has been sourced locally involving contracts worth \$391 million, much of that in the Mackay region alone.

For minor suppliers, the Local Industry Policy makes a difference in that it has made it possible to break up tender packages into smaller contracts. In other words, what I was saying before about a big contract also benefiting small to medium sized businesses. For example, to improve local content in the

Millennium Arts Complex the Industry Capability Network collaborated with Bovis Lend Lease, the project contractor, to promote tendering by Queensland lighting manufacturers. By giving local manufacturers a full and fair opportunity, Bovis achieved over 70 per cent local content on lighting supply.

**Mr GRAY:** I refer to page 1-11 regarding the Smart State innovation projects and skills funding and ask you to highlight some of the recipient grant projects from round 2 funding?

**Mr MICKEL:** I am pleased to advise the committee of the scale of these projects. In the National Health and Medical Research Council's 2006 funding round Queensland received 13 per cent of the \$435 million on offer. Let us see that in context. It is only \$14.64 per capita, which made us seventh place nationally. You hear John Howard talk about how well he is doing. Well, seventh place nationally in grant funding? We are behind the ACT, Victoria, Northern Territory, South Australia, New South Wales and Western Australia.

By contrast, what have we done? As always, we have picked up the slack left to us by the federal government. The Queensland government spends approximately \$60 per capita on research and development which is well above the national average of state and territory expenditure on research and development of \$48. We are spending \$60; the national average is \$48. There is not much help from the federal government. This demonstrates why we need to be building a strong research and development sector in this state.

Since 1998 the Queensland government has invested significantly in progressing the Smart State agenda, investing over \$3 billion in funding to boost our innovation capacity in the key areas of science, research and commercialisation. The government's commitment to innovation has greatly increased the state's research capacity and expanded key emerging industries such as biotechnology and ICT. We are positioning Queensland at the cutting edge of global collaborative science and research in a range of capability areas including tropical marine science, neuroscience, nanotechnology, aeronautics and material science. Importantly, this escalation is providing the foundation for Queensland's knowledge economy, helping to build the industry base, a healthy society and a sustainable environment.

Let us look at the Innovation Projects Fund. Round 2 closed on 7 March. There were 11 successful applications receiving a total of \$13.65 million and leveraging an additional \$39.77 million from the project participants. Let me give you some examples. The International Needle-Free Vaccination Alliance, a \$1.24 million grant to the University of Queensland; Smart Skies, a \$2 million grant to QUT; New Wear Resistant Alloy Products, a \$720,000 grant to the Alloy Solidification and Technology Cooperative Research Centre.

Round two of the Innovation Skills Fund closed on 7 March. Nine successful applicants received \$1.55 million. Who are the recipients? Dr Martens of the Queensland University of Technology was awarded a Smart State Fellowship for his research involving the assessment of advanced water purification techniques; Dr Line Bay of JCU was awarded a fellowship for her research on the adaptation of our coral reefs to climate change.

**Mr CHOI:** I refer to the corporate structure of State Development and indirectly MPS 1-7 which indicates to me that the State Development Centres are central divisional structures responsible for a lot of your departmental outputs as well as providing advice to Queensland businesses. Can you advise the committee, in the middle of the worst drought on record, whether SDCs have any role to play to assist businesses, particularly small businesses, at this moment in time?

**Mr MICKEL:** Sure. I notice that there have been several questions to me about the impact of the drought on small business. I might say that that is why the government has developed those rounds of incentives for water tanks, water saving devices in the households and the incentives given to the horticultural industry for drought resistant plants. All of those things cost millions of dollars. As anybody will tell you, they are still waiting to get their tanks. I would not have been Robinson Crusoe in waiting many months to get mine. Then there are plumbers and electricians who are involved in doing the necessary connections and making sure that the pumps are connected up. One section of industry has done particularly well out of the incentives that government has provided. What is the empirical evidence of this? Well, today's unemployment figure. Today's unemployment figure shows that the Queensland economy is still booming along. We have the lowest unemployment now in history. By any definition those people are getting jobs and they are getting jobs in businesses.

But you asked about state development centres. We are offering advice. We are participating in all the regional projects to develop sustainable water infrastructure. We do work with businesses on how to get better efficiencies for their business. There is a marvellous scheme out called EcoBiz that I was involved in as environment minister that continues to do wonderful work in assisting businesses. We have recently conducted a water forum specifically for the food processing industry and we have collaborated with a number of industries to review and update industry-specific water efficiency guidelines. We have collaborated with other agencies like DPI to investigate strategies and options for lifestyle horticulture. We have also worked with Queensland Water to put in place a process to assist operators in the cleaning industry to adopt water-efficient practices.

With the potential of the drought to continue, and we all pray and hope that it will not, we have identified that business needs to be looking ahead and undertaking risk management and resilience planning. We have undertaken a range of online tools to help support businesses undertaking activities. For example, providing information to business and industry through the Smart Small Business web site, one-on-one support to individual businesses, workshops, seminars, business management skill development and also funding assistance. The greatest funding assistance we can offer businesses is the one being offered in terms of the rebates.

**CHAIR:** That concludes the examination of the estimates for the Department of State Development. The committee will adjourn for lunch and resume the hearing at 2.30 pm. We will then be examining the estimates for the Department of Employment and Industrial Relations.

**Mr MICKEL:** I thank the committee members but, above all, I thank all the people in my department who have helped prepare for today's session. The Leader of the Opposition has said that estimates are a waste of time. I can assure you that from my point of view, as an accountability process and for me to assess what the department is up to, just preparing for today is a valued process. Any process at all that puts the tough questions to us and the tough questions of myself and my officers to the department and their ability to supply the answers is a great opportunity.

I also thank each and every one of the staff in my department for their professionalism, dedication—as I have indicated today across a wide range of sectors—and their enthusiasm. I do appreciate it and want them to know that.

#### **Proceedings suspended from 1.30 pm to 2.30 pm**

**CHAIR:** The Estimates Committee C hearing is now resumed. The question before the committee is—

That the proposed expenditure be agreed to.

We are now examining the estimates for the Department of Employment and Industrial Relations. The first period of questioning is allocated to non-government members. I call the member for Maroochydhore.

**Miss SIMPSON:** In refer to the MPS at page 2-2, licensing costs to businesses. The Ministerial Portfolio Statement shows that it will cost \$2.1 million to implement and \$6 million per year to administer the new photographic licensing system for prescribed occupations. Can you give a breakdown of those costs?

**Mr Henneken:** The main breakdown of the costs is computer costs and computer operation costs, costs of a contract with a provider to take photographic licences and some costs in terms of staff to administer the system. Those costs will be largely met from about year 3 on a cost recovery basis. This system, like the current system, will be largely self-funding.

**Miss SIMPSON:** Minister, I have a follow-on question. What can you detail about the current cost to holders for the issue and renewal of licences and certificates? What will the cost be under the new system? What will the costs be to migrate to the new system? I am asking about the current cost to holders for the issue and renewal of licences and certificates and what you envisage the new costs will be.

**Mr Henneken:** There are two sets of costs. One is the cost of the accredited provider. Under the old system the accredited provider did an assessment of a person's skills to determine whether that person had the competencies and skills to be able to undertake that occupation in a safe manner. The second cost involved is the cost of the licence.

Under the new system the costs will be of the same type. There will be costs involved in getting an assessment done. Under the new system that assessment has to be done by a registered training organisation. Depending on the pre-existing skills of the person who puts themselves forward, that assessment may involve an amount of training. If the person has already had some industry experience then obviously their existing skills can be assessed. The costs will vary a bit depending on how much training is involved. In the cases where there are pre-existing skills the cost should not be substantially greater than under the current system. The second part of the cost is the cost of actually purchasing the licence.

The department recommended this approach to the government on the basis that this is a national system. Queensland has always been very keen to align its arrangements with those nationally. Secondly, we believe that a number of these occupations are such that we do need to make sure that the people are competent and are safe to operate this equipment.

**Miss SIMPSON:** I have a supplementary question on that issue. There has been some concern from forklift operators and other machinery operators—that is, people who will have to transition to the new system—that they may have to pay up to 10 times what they currently pay. That is obviously worrying them because that would be a substantial hit. Could you please give us an indication as to the current costs and regime and what you envisage the new cost will be?

**Mr Henneken:** The cost of the licence will be \$60 regardless of the number of licence classes being converted—that is, the conversion process for people who currently hold licences.

**Mr MICKEL:** There was an article about this in the *Sunshine Coast Daily* on 28 June. I am advised that there were over 85,000 injuries reported in Queensland last year so it is incumbent on government to reduce the human and financial burden that results from workplace incidents. When you consider that 100 hours of supervised driving experience is now required to get a drivers licence is it so unreasonable to expect anything less of the people who operate high-risk equipment in our work and public places?

Since 1950 Queensland has licensed a wide range of high-risk occupations like scaffolders, doggers, riggers, chain and hoist operators, pressure equipment operators and load shifting equipment operators. Many thousands of Queenslanders who do these sorts of jobs every day face a greater level of risk of injury or even death than those in most other occupations. Yet, at the same time, we have to recognise that they are contributing to the prosperity of this state and they deserve access to high-quality training that helps develop the skills and knowledge to work safely. Equally, employers, coworkers and the community deserve to know that people operating potentially dangerous machinery are appropriately skilled, hold a valid licence and are safety conscious. Training is not a new requirement.

The changes that we have outlined will ensure that it is more structured. Some training providers may choose to charge more. However, some providers have already indicated that they will not, as I understand it. The new courses do contain nominal hours but whether they take more or less time to complete will depend on the individual's competency. Training on the job is still an integral part but employers are now required to consult with a registered training organisation to develop a training plan and to supervise their in-house training. I am advised that industry has known for almost three years that these changes were coming. Workplace Health and Safety Queensland has consulted with employer and industry groups.

**Miss SIMPSON:** Minister, pages 2-24 and 2-25 of the MPS relate to the Industrial Court and commission system. The first three line items of the output statement outline that the commission's work levels have halved causing the average cost per application received to double. Over the page we see that you have increased both the overall budget and the employee expenses budget. How can you possibly justify a budget increase for a body that is doing only half the work at double the cost?

**Mr MICKEL:** Of course it was never the state government's intention that the work of the Industrial Relations Commission be halved. In fact, we actively fought that in the High Court. We fought it in the High Court because we oppose and still do oppose the introduction of WorkChoices. It was WorkChoices that slashed our coverage of the workforce by about 60 per cent.

Accordingly, I could have done one of two things. I could have accepted that fact or I could have accepted the fact that, based on the opinion polls, there is every likelihood of a change of government at the end of the year and we will get a fairer system. However, what I have done is ensure that, because the workload is down, we take action to reduce the number of commissioners. That is exactly the path we have been engaged in. There was an offer of voluntary early retirement made to commission members. Because of the nature of the length of time that these people are appointed—that is, until they are aged 70—there is a cost in removing those people before their time expires. They are not like public servants. They are there for a defined length of time.

That was the position that I inherited. I might say I think it was the position that the government inherited, because I do not think it was changed under the Borbidge government. Accordingly, there are costs associated with the fact that the workload has gone down and costs associated with encouraging people to accept a voluntary early retirement. That is why the costs are reflected in a diminished workload but simultaneously a cost increase. I anticipate that the costs will go up as we pay them out.

There is enterprise bargaining which impacts on commission staff. I am not about to remove people who work for the commission from the pay increases. I am not prepared to exclude the staff who work there from an enterprise bargaining process. There are pay increases that would be paid to those people.

**Miss SIMPSON:** Minister, regarding the MPS at page 2-18—and you made reference to the number of employees—the 'Output Statement' shows that IR complaints have dropped by almost 50 per cent because of a decrease in employees under state IR. Can you explain why the 'Output Statement' also states that the percentage of employees covered by the state industrial relations system remains at 40 per cent?

**Mr MICKEL:** I think the premise of your question is wrong—that is, over the last 12 months the number covered by the state Industrial Commission has gone down. We still do cover 40 per cent of the workforce. As I said, I wish that was not the case. I wish the federal government had not bothered to inflict an unfair system on the workforce. Let me deal with it this way: in terms of the industrial inspectorate, I am not going to be a dog in the manger like Joe Hockey—that is, we have sent 800 requests to Joe Hockey to look at because these people are captured under WorkChoices and 800 of

them remain uninvestigated, or certainly nothing has come back to us. There is a veil of secrecy over the workplace in what Joe Hockey is doing. For most of the time employers did not even know what the new wage rates were under WorkChoices. You could not get them on the web site. In the absence of that, as usual with us, we have had to pick up the slack of a federal system that just never had the resources in place.

It is true then that WorkChoices, because of the coverage under federal awards for incorporated bodies, has reduced the number of workers who are covered under state awards. However, we are continuing to provide Wageline and the Wageline web site and compliance services to the remaining number of workers. We have assisted employees as far as we can with injustices created by WorkChoices in federal workplaces. In addition to that, we have assisted employers who were conned into believing that what they were getting was a fairer and uncomplicated system, and I will have more to say on that in a moment. But the Wageline and Fair Go Advisory Service calls indicate that people are still concerned about the impact of WorkChoices. It is true that we have had a reduction in wage complaint activity, but that is because we lost 60 per cent of the coverage. We are determined, however, to keep the pressure on the federal government in the lead-up to a change of government to make sure that our workforce is protected.

**Miss SIMPSON:** Minister, referring to pages 2-6 and 2-50 of the MPS regarding staffing, we see that the department will have a relatively modest increase in staffing levels of around 47 full-time equivalents or just under five per cent. But, Minister, when we look at page 2-50 of the MPS we see employee expenses exploding by some \$11.9 million or over 15 per cent. How much of this \$11.9 million blow-out in staff expenses—employee expenses—is being put aside for VERs?

**Mr Henneken:** In terms of page 2-6, the increase in staff numbers is predominantly in workplace health and safety. Workplace health and safety had an increase this year in funding through the workers compensation scheme and the rest of the increases are quite modest. In terms of the private sector IR division, the major drop in numbers based on what happened with WorkChoices occurred from the previous year to 2006-07.

In terms of the explanation of the \$12.9 million, there are a number of effects there. One is that in 2006-07 we only saw three-quarters of the impact of the machinery-of-government changes in terms of the employment initiatives coming to the department. So about \$7 million of the change is to do with the full-year effects of the machinery-of-government changes. In addition to that, the machinery-of-government changes also meant that we picked up some additional support staff—and that is in the corporate services area—and then the remainder of the changes is predominantly to do with enterprise bargaining increases for the existing staff, and that is obviously a pay increase of four per cent. So that represented another \$2½ million. So that broadly explains the increase in employee expenses for the department between 2006-07 and the estimates for 2007-08.

**CHAIR:** Thank you. It is now time for government questions.

**Mr GRAY:** Minister, page 2-26 of the MPS refers to the Queensland workers compensation scheme, one with which I am well familiar because of my past work within unions. How does the Queensland workers compensation scheme compare to the Comcare scheme, which the federal government is actively promoting to multistate employees?

**Mr MICKEL:** What a great question, and have we got a great answer! The Queensland workers compensation scheme, as I said in my opening statement, is the best performing in Australia. It is both financially strong and stable and it provides Queensland business with a number of competitive advantages compared with employers in the Commonwealth scheme and good benefits for all injured workers. Many injured workers receive higher benefits in Queensland, but the important thing I want to say to the committee today is that we have just had an independent actuarial study showing that overall if Queensland claimants were paid Comcare benefits they would receive 20 per cent less in total compensation. I am happy to say that the actuarial was Finity and the records are there.

The independent actuarial study also found that costs to employers under Comcare are estimated to be 39 per cent higher than under the Queensland system. So if you are an employer contemplating going to the federal government's scheme—John Howard's scheme—you can look forward to a 39 per cent increase in costs. If you want a comparison in graphs, I have a graph here that I am happy to distribute to the committee. In fact, I would welcome it. This graph shows the Queensland scheme with the costs to employers in blue and there is the Comcare scheme in red. If our claimants were paid Comcare benefits, they would have received 20 per cent less. So there are the benefits in Queensland and there it is under Comcare. So whichever way you like to slice it, we have a far better system. We offer the lowest premium to employers by a country mile—\$1.15. So it is a good scheme, and it is one worth fighting for. I might say to the federal government that it is one that we intend to fight hard to protect. I will be making these sorts of charts available to business stakeholders and to you as members of parliament to make sure that we fight—stand up for Queensland and fight for the great things about Queensland. This is a great scheme for employers and it is a great scheme for employees.

Let us have a look at it. For employers, Queensland has maintained the lowest average premium rate of all states for the last seven years. Since 2002-03 Comcare's average premium rate has increased from \$1.13 to \$1.77 in 2006-07. What has happened in Queensland? In 2006-07 our rate was a record low of \$1.20 per \$100 in wages. We have announced a decrease now to \$1.15. So there it is for all the world to see. As I said, I will be making that available for stakeholders.

**Mr GRAY:** Minister, would you mind tabling that document?

**Mr MICKEL:** No. I would love to table it.

**CHAIR:** Is leave granted?

Leave granted.

**Mr MICKEL:** Wonderful!

**Ms JONES:** Minister, I refer to page 2-16 of the MPS, which mentions amendments to the Child Employment Act 2006. What views has the federal government expressed on this legislation?

**Mr MICKEL:** As I said, the federal minister, Mr Hockey, wrote to me on 12 June 2007. This was after we had passed in the parliament protections for young workers. A lot of you have kids. You can imagine your kids in there trying to bargain. What we have done is legislated to protect them. So what did Mr Hockey do? He wrote to me to say that it was unnecessary and inconsistent with federal legislation. Given this federal government, I am pleased about that. I am pleased that it is inconsistent with its right to justice because it means that we are on the right track.

In his letter, Mr Hockey alleged that the state provisions covering minimum conditions of employment and unfair dismissal will fail to have any effect because of inconsistency with WorkChoices. He suggested that legal advice be sought on this issue. The federal minister's opinion is not consistent with legal advice. Advice received by the Department of Employment and Industrial Relations said that it was reasonable to argue that the state provisions could operate alongside WorkChoices. In particular, our government was advised that the Queensland provisions protecting young workers can operate because the Workplace Relations Act 1996 specifically preserves state laws concerning child labour.

Mr Hockey also alleged that Queensland's legislative amendments were unnecessary because the federal legislation—and I think he said this with a straight face—already provides fair, appropriate and comprehensive protection of young workers. Mr Hockey has already admitted that Kevin Andrews got it wrong and has quickly cobbled up a bandaid solution for his unfair legislation, bearing in mind the federal government said it was never going to change. After we put in our legislation, it changed it. However, there were four areas in which the fairness test of the federal government fails to restore fairness for young workers.

The test will not prevent young workers from continuing to lose award protections that fall outside the limited scope of protected award conditions such as severance pay, the right to be consulted about their rosters and the right to fair process and procedure when the situation warrants it and such as when an employer alleges misconduct on the employee's behalf. The test of the federal government will not restore award entitlements to many young workers who lost them after the introduction of WorkChoices and before the introduction of the fairness test. The federal government's fairness test does not restore the right of workers to be treated with fairness and dignity at the point of dismissal, and the application of the federal test is not transparent and cannot be challenged. I think that the welfare of kids is far too important to be left to a federal government sham fairness test.

**Mr CHOI:** Page 2-21 of the MPS indicates that the material put before the inquiry which was set up on 13 June 2006 under the Industrial Relations Act 1999 suggested that AWAs lower the wages and conditions of employment for employees. Could you outline what legislative measures have been taken by the federal government to address this issue and are the measures remotely sufficient?

**Mr MICKEL:** The Queensland Industrial Relations Commission set up an inquiry into Australian workplace agreements and they found that it led to lower wages and lower conditions for employees. What was Mr Hockey's response? Did he listen to the findings? No, he embarked upon an attack on the integrity of the commissioners undertaking the review. He said they were all union hacks. The point is that they are chosen from employer organisations and employee organisations. Some months later after he launched this attack he then admitted that his predecessor, Kevin Andrews, got it wrong, and what has he done? He has hastily cobbled together—because they have an election in mind—a fairness test. What you have to understand about John Howard is that his idea of fairness is how well he is travelling in the opinion polls, not how well he is going with the Australian workforce.

What we have got is an arrogant government that did not want to listen but wanted to shoot the messenger, in this case the independent tribunal, the QIRC inquiry. If it had listened to the advice of the QIRC hundreds, if not thousands, of workers would not have had their conditions ripped away from them. Although the former Employment Advocate stopped publishing damaging data about the extent to which AWAs strip away work conditions, a clear picture is emerging from media reports, academic analysis of data gathered by the Australian Bureau of Statistics and submissions to the inquiries into the impact of WorkChoices.

AWAs under WorkChoices have been used to reduce take-home pay and eliminate leave entitlements. The Queensland government recognised the particular vulnerability of younger workers under WorkChoices. Many of these young people are employed in low-paid or low-skilled jobs. Many young people are employed in the hospitality industry or in retail. It is the employers in these industries who are taking advantage of WorkChoices to offer AWAs or lodge employer greenfield agreements which strip away award entitlements such as overtime and weekend penalties. That is why in May of this year we amended, with your support, the Child Employment Act 2006, which applies to all children up to the age of 18, to strengthen the protection of our young workers in Queensland.

The amendments clarify that even if a young worker is employed by a constitutional corporation, the state unfair dismissal laws continue to apply. In addition, the amendments ensure that young workers will receive fair minimum terms and conditions commensurate with young workers whose employers are covered by the Industrial Relations Act 1999 of Queensland. Where employers have moved young workers to a federal WorkChoices agreement since 27 March 2006, Queensland industrial inspectors will assess whether the conditions of the new agreement reduce a young worker's employment entitlements.

**CHAIR:** Page 2-9 refers to your department's response to the devastation caused by Cyclone Larry last year. Minister, can you please explain how the banana industry in north Queensland was assisted by the Department of Employment and Industrial Relations after the cyclone?

**Mr MICKEL:** Yes. I want to pay tribute to the work you do, Bernie, and your section in working with the banana industry to come up with an employment assistance package that recognised the particular needs of the banana industry. The purpose of the package was twofold: to help clean up the mess and damage obviously and, importantly, to keep local people in jobs. Remember, this was an economy that in some sectors had been wiped out. What we did not want to lose was the capacity of the workforce to help that region recover.

With particular reference to the banana industry, estimates suggested 95 per cent of banana crops had been blown down or damaged. Just prior to Cyclone Larry it was estimated that the banana industry employed between 3,000 and 4,000 people. Assistance to this industry focused on four major areas. One was the initial clean-up of debris and damage to banana farms. Two was the provision of labour in the short term. Three was the provision of industry appropriate training for workers and four was addressing their long-term labour supply needs.

Let us look at the first problem. The clean-up facing farmers was beyond individual capacities. Leaving debris unattended would have created an ongoing risk to the wider community. The government identified this risk quickly and funded the DPI to establish Operation Farm Clear, which employed a workforce of almost 200 local unemployed people to assist in farm clean-up operations. The majority of this work occurred on banana farms. The provision of short-term labour supply was addressed through that wonderful initiative that Bernie has presided over, the Community Jobs Plan. As at the end of April 2007, \$13 million had been approved under the package and over 1,000 local people had received work and training. These opportunities also helped the banana workers, who had suddenly found themselves unemployed, to remain in the local area, obtain employment and undertake training. Training requirements were also being addressed by what is called the Banana Industry Training Pathways project. It provides skills in things like chemical handling, shed operations and control, and plant diseases.

In January this year I chaired a banana summit to address the long-term labour supply problems. From this the Australian Banana Growers Council was funded to employ a labour coordinator for 12 months to help develop a range of strategies including linking the Yarrabah residents into training and jobs in the banana industry. Growers and the Yarrabah community itself are very keen to continue these linkages. School students are being attracted through a range of horticulture school based traineeships and existing workers are also having their skills assessed and recognised through a recognition of prior learning process established specifically for the industry.

**Mr GRAY:** Minister, I refer to page 2-16 of the MPS which indicates, as you have mentioned before, that over 800 matters have been referred to the Office of Workplace Services. Can you advise me how many of these matters have been resolved by the Office of Workplace Services? I do not expect a long answer.

**Mr MICKEL:** You will get a long answer because there is a long list of people who have, unfortunately, been affected by it. Workers employed with a corporation are now under the federal jurisdiction. As I indicated previously, over 800 matters had been referred to the Workplace Ombudsman, formerly the Office of Workplace Services, involving matters emanating at Queensland regional offices being referred directly to the Workplace Ombudsman or other matters such as those arising from individual workers' incidents and audits of federal jurisdiction workplaces by inspectors being referred through the director, Industrial Relations Services. Whilst reports on the outcome of the matters referred by the director of IR Services have been requested of the Workplace Ombudsman, there have been only a small number of matters—less than 10—on which that Ombudsman has formally provided any advice. Out of 800 there has been less than 10 provided on the outcome of these

investigations. These responses related to advice that the matters had been finalised to the satisfaction of the worker and did not include specific details about the Workplace Ombudsman investigation, nor details about amounts of wages adjusted for individual workers.

Despite the request being made for reports back from the Workplace Ombudsman, the lack of response to these requests prompted me to write again to Minister Hockey about this issue on 17 April 2007. He replied on 9 May 2007 that it was his view that, as the complaints which had been referred related only to the federal system rather than the state, there was no legislative requirement under the act for his department to provide reports to the state departments on such matters. Can you believe the arrogance of it? Then he added that he felt that the expenditure of resources necessary to provide ongoing reports to the state on federal matters was not warranted. Imagine if he had to appear before this committee with an attitude like this!

I replied to Mr Hockey on 23 May 2007 highlighting that I agreed with his proposition that the act provides workplace inspectors with discretion to provide state officers with information that may assist in the administration of the state system; however, I disagreed that the matters referred to did not relate to the administration of the state system. The industrial instruments in the state system which became transitional notional agreements preserving state awards and preserving state agreements are now administered and enforced at the federal level. It had become apparent from the feedback received from various former employees where claims had been partially within the period of state jurisdiction, that is up to 26 March 2006, and partially within the federal jurisdiction from 27 March 2006 that instruments were being interpreted and applied differently by the Workplace Ombudsman. I referred, as I did in parliament, to the issue of the two quarry workers. I refer the committee to that statement in the House.

**Mr GRAY:** Minister, given that—and I refer to page 2-21 of the MPS, which indicates that the QIRC inquiry found no evidence that altered employment conditions as a result of WorkChoices provided greater efficiency or productivity—could you advise us of any research that may cast light on the links between productivity increases and the type of industrial relations system we have?

**Mr MICKEL:** We hear constantly from the federal government that the industrial relations changes under WorkChoices are necessary 'if Australia is to generate high productivity and, in turn, higher wages and generate greater job security.' The best available evidence provides little support for these claims. The evidence suggests that further deregulation of the labour market is likely—because we know that Senator Minchin let the cat out of the bag a couple of months ago—to have only minimal positive impact while creating the social risk of greater inequality and wage disparities.

A range of international and national evidence demonstrates this point, including the 2007 and 2006 OECD Employment Outlook reports. The research suggests that Australia should be focusing on other areas to drive further economic performance—jobs growth and productivity—rather than a narrow focus on deregulating the labour market. To the extent that industrial relations does have an impact, the evidence, I am advised, suggests that a deregulatory approach is not the way forward. This is clear from the aggregate data as well as the research on what industrial relations arrangements influence productivity at the workplace level.

For instance, the OECD Employment Outlook for 2007 identifies incentives for employers or workers to invest in training as a significant labour market reform which can have a sizeable impact on productivity levels and growth rates, that is, a 10 per cent increase in the stock of human capital accumulated through job related training is found to be associated with an increase of 1.5 per cent in the level of productivity. Further, the 2007 report warns that public support for globalisation may wane if the share of wages and social benefits for workers continues to fall in relation to national income in OECD countries. The report examines policies that reduce workforce adjustment difficulties, including severance pay, increases in the minimum wage and generous unemployment benefits and paid parental leave.

**CHAIR:** The time for government members has expired. I call the member for Maroochydhore.

**Miss SIMPSON:** Minister, with regard to MPS page 2-20, funding for private sector IR services, I ask: what would have been the saving to taxpayers if you had not set up the Queensland Workplace Rights Office in your fight against the federal government?

**Mr MICKEL:** In relation to the—

**Miss SIMPSON:** What would the saving have been to taxpayers if you had not set up the Queensland Workplace Rights Office in your fight against the federal government?

**Mr MICKEL:** I am pleased we did. I tell you what, isn't it wonderful that when I send 800 things to Joe Hockey and he thumbs his nose at us, at the state level we are setting up something that subsequently they did? Queensland is the pace setter on this. I want somebody who is out there helping employers and employees through the maze of a confused WorkChoices system. Let us see what the Ombudsman will do, because it went before the parliament. I might say that when it went before the parliament, I do not recall the opposition raising it in that three-hour debate once—not once. It is such a great scheme. Let us see why.

He will investigate cases of unlawful, unfair or otherwise inappropriate employment practice and, where appropriate, refer people to other agencies for assistance. He will provide information on the rights of workers and the operation of the federal WorkChoices legislation, provide advice to the state government on strategies that might be introduced to mitigate the negative effects of WorkChoices, improve protection for vulnerable workers and promote industrial relations best practices in Queensland. The gulf between conditions offered under state and federal employment legislation will continue to create confusion and anxiety with little protection from unfair treatment for workers in the federal jurisdiction. This office has been established as an independent statutory authority to provide impartial and independent advice and information to employees and employers in both state and federal jurisdictions.

The Ombudsman will be able to monitor and highlight cases of unfair work practices, providing reports to parliament and making recommendations on strategies that might be implemented to improve workplace practices in Queensland. The Ombudsman and support office is entirely allocated from existing private sector industrial relations output funding with no additional new funds. The necessary savings to allocate the Ombudsman's funding have occurred primarily as a result of savings from 27 positions with the Industrial Relations Services, I am advised—caused, as I said in an earlier answer, by the impact of the federal government WorkChoices legislation.

The other point I think—

**Miss SIMPSON:** And how much is that?

**CHAIR:** Order! The minister has the call. You will get your chance to ask another question in a moment

**Mr MICKEL:** As I said, the Ombudsman's position—and I will take this at length—is one selected from the QIRC. We would have to pay that position anyway. Let me say it again. The Ombudsman and the support office is entirely allocated from existing private sector industrial relations output funding. There are no additional new funds, I am advised. The necessary savings to allocate the Ombudsman's funding have occurred primarily as a result of savings from 27 positions within the Industrial Relations Service caused by the impact of the federal government's WorkChoices legislation.

The Ombudsman and support office, for those who want to use the office, have been located at Level 18, Central Plaza 2, 66 Eagle Street, Brisbane, in a surplus area of an existing government tenancy. The phone number is 1300737841 and he has taken over the operation of the former Fair Go Queensland Advisory Service, which is now called the Queensland Workplace Rights hotline. The Ombudsman, support office and the Workplace Rights hotline commenced operations on Monday, 2 July 2007.

The Ombudsman will also have access to assistance from the network of industrial relations service staff, particularly in regional areas. As I said, they have been located in a surplus area of the industrial registry floor space at Central Plaza 2, which has been converted into a clearly discrete tenancy for the operation of the Ombudsman.

**Miss SIMPSON:** I ask you: how much is it costing to set up the Queensland Workplace Rights Office? You are saying that you are funding it out of savings, but there is a cost associated with this because you are deciding to provide coverage for workers who are not under state jurisdiction. How much is the Workplace Rights Office going to cost?

**Mr MICKEL:** I answered the question. I said that the salary for the Ombudsman—we selected somebody who came out of the QIRC because, as you indicated in your first question to me, there was a reduced workload. Accordingly, we decided to set up an Ombudsman. So in terms of a direct salary, there is no additional cost there. The savings, as a result of reduced workload elsewhere, have helped fund that office. I mean, what price do you want me to put on fairness? I am prepared to fund fairness.

**Miss SIMPSON:** Further to that line item as well as the previous line item on page 2-50 where I referred to the blow-out and page 2-6 in regard to full-time equivalents that you are going to be funding, you have an increase of \$11.9 million in staff or employee expenses; you have reduced jurisdiction for your department in regard to industrial relations; you are wanting to take on a jurisdiction where you do not legally have the right—over federally covered employees—and I ask you: how much will it cost you to set up the initiatives or to maintain initiatives in providing coverage for people who are now under federal jurisdiction?

**CHAIR:** You have now asked that question three times.

**Mr MICKEL:** No, I do not mind.

**Miss SIMPSON:** There were supposed to be savings and we do not know how much those savings are. We do not know what the total amount is that you are spending on employees who are under a federal jurisdiction.

**Mr MICKEL:** You mentioned a couple of things about WorkChoices. It was you who asked me in the parliament whether I would be handing over our state IR system to the federal government. I said no, that under no circumstances would I be doing that. As I understand it, certainly the Liberal Party said

that they would not want to hand over the coverage of public servants to the federal government. If WorkChoices is such a fair system, why do you not want to hand over the state public servants? Why do you not let all the people behind me know that you will quite happily hand them over? We are not happy to hand them over.

We have been—through our hotline—answering a lot of inquiries of a WorkChoices nature to the value of about \$250,000. I sent the bill to Joe Hockey and said, 'Here. We are handling the inquiries for you for WorkChoices to the value of 250,000 bucks. Why don't you pay us for that service?' Mr Hockey could relieve the Queensland taxpayers immediately if he recognised a bit of fairness out of his own unfair system. It is the state government instrumentalities that are providing the advice that the federal government will not provide.

How would you like a new system set up where the employers were not able to even access for some time a statement on the correct wages? They have set up the system without the appropriate backing for it. Let me give you an example of the Fair Go Queensland Advisory hotline. From 5 December 2005 to 30 June 2007, we handled 7,849 inquiries. From 1 July 2006 to 30 June 2007, I am advised that the wage line regarding corporations was around 32 per cent of 191,221 calls answered by operators. In total, this amounted to 60,899 inquiries. In other words, we are handling a sizeable amount of federal work through our state bodies because that is the only place people know that they can go to get information. It is not a one-sided thing. This is employers as well as employees. So Mr Chairman, I am quite happy for the whole committee to know that I reckon that the federal government owes us \$250,000 just on hotline telephone inquiries alone. That would help our budget enormously.

**Miss SIMPSON:** You have had a decrease in jurisdiction, a decrease in the number of complaints coming through, though an increase of \$11.9 million in employee expenses, and I ask you: is this not just a slush fund for your fight against the federal government?

**Mr MICKEL:** Mr Chairman, I know it is hard and I know she is excited. She has seen the opinion poll today showing that her leader is on the way out. I am anxious to be gentle with you, because I want to give you the main chance, but we answered this before about the \$11 million. I assume Mr Seeney put you up to this one.

The reason there was a variation was explained to you. The variation between the adjusted budget and the estimate is mainly due to the following: there was a full-year funding of machinery-of-government transfer of employment and support and funding for Indigenous employment support officers. That came to \$6.949 million. There was a machinery-of-government transfer for corporate support employees. That was an MOG funding transfer of supplies and services budget and a full-year adjustment of \$1.673 million. There were increased salary costs due to enterprise bargaining and that was \$2.555 million. There was funding for the photographic occupational licensing project—that was \$0.96 million—and additional positions funded from the Q-Comp growth funding. That was \$0.57 million. So the premise of your question, to be fair and reasonable with you, was silly.

If you want to talk about a slush fund, I will tell you about a slush fund. How much did the federal government use on advertising WorkChoices? How much do you reckon? It was 55 million bucks. Then they went about advertising the new fairness system before anybody had even seen what the fairness system was. That was another four million bucks. Talk about a slush fund! You would be embarrassed by the amount of money that has been thrown at this by the federal government for a system. I am told now that all up it is about \$90 million they have thrown at it, to be 12 points behind in the opinion polls. Imagine if they had not spent 90 million bucks. How far behind would they be? You would need binoculars to find them.

**Miss SIMPSON:** I note that you have jurisdiction over public sector industrial relations and yet you have chosen not to extend the Ombudsman's role to the public sector, which is something that we would have supported. I ask you: what are you doing to address the culture of bullying, the issues of retention rates, the high casualisation and the number of temporary staff across the public sector in Queensland that has occurred under your government?

**Mr MICKEL:** As I said, this is a re-run of the second reading speech. I have pretty well all the notes on this. Workplace bullying in my view has no place at all in our jurisdiction—none whatsoever. I can remember when the Borbidge government came in and all the people who had been summarily dismissed because they had been on some secret list. That was not bullying? Of course it was bullying! It was bullying in much the same way as Hinze bullied that policeman that time who pulled him up. He pulled out the map and I said, 'Son, which part of Queensland do you want to be in?' Bullying? I was a teacher. I know all about National Party bullying. I remember after 1974 that if you were a Labor supporter, you could only get a job at a school in a Labor electorate.

**Mr JOHNSON:** What about your department?

**CHAIR:** Order!

**Mr MICKEL:** I know all about National Party bullying.

**Mr JOHNSON:** Your department.

**CHAIR:** Order! The minister has the call.

**Mr MICKEL:** I hear the cacophony. I would be embarrassed with all of that. I know all about National Party bullying. I know it well and truly. The point about bullying is this: there are a number of ways that grievance procedures can be handled with respect to bullying. I encourage anybody who feels that they have been bullied or are the subject of it to use those procedures. Those provisions include grievances with the Office of Public Service Merit and Equity if they have a grievance with respect to bullying that they want dealt with. The Public Service Commissioner is responsible for administering the grievance resolution directive, which requires chief executives to implement effective strategies to actively address allegations of bullying or harassment. A public sector employee who alleges that he or she is a victim of bullying or harassment has a number of options available for resolving the issue. Employees may report instances of bullying directly to their supervisor, their manager, or the chief executive officer.

**Mr Johnson** interjected.

**CHAIR:** Member for Gregory.

**Mr MICKEL:** Have we got those figures under WorkCover? I will show you what we can do about it. I will take the other three minutes that your question provides me with. I think you would have seen in recent days that there are provisions for people who feel that they have been harassed or bullied. I reserve my right for the other three minutes, given all the interruptions that I have had. Between 2001 and 2005-06 the incidence of stress claims for the Public Service, that is usually those that are related to bullying, has decreased 28.7 per cent—from 3.5 compensated claims per 1,000 workers in 2001 to 2.5 compensated claims per 1,000 workers in 2005-06. We continue to monitor the workers compensation performance of public sector agencies and the implementation of safer workplace strategies to better prevent that sort of thing happening in the public sector. Bullying and harassment in the workplace has been one of the common causes of those stress claims but, I repeat, they are down.

If a person feels that they need to take some action in relation to this, then there is another way they can go. They can take that grievance through their union. I happen to believe in unions. I know that the federal government does not and I know that the opposition largely does not. They can take that down to the QIRC, as I understand it, and get that matter adjudicated on.

There is a mediation process as well that is designed to assist employees to work through issues openly and cooperatively in an attempt to reach an amicable resolution of the issues that have been raised. The grievance resolution directive requires chief executives to initiate mediation within two days of receiving the grievance. When a formal grievance is lodged, the manager or agency may refer the grievance to a specialised grievance unit for management and investigations. All investigations must be undertaken in a timely manner to ensure that affected employees are not subjected to ongoing stress and anxiety.

The directive requires chief executives to make a determination in relation to a grievance within 21 days of receipt of the grievance. This time frame can only be extended with the agreement of the aggrieved employee and the respondent. If an employee is not satisfied with the outcome and investigation, he or she may lodge an appeal with the Public Service Commissioner within 21 days of the date they received the determination.

As I said, public sector employees also have the ability to seek the assistance of the QIRC to assist with employment disputes or allegations of unfair dismissal. This is an independent and fair umpire willing to adjudicate that sort of process. All agencies—all of them, I am advised—have trained harassment referral officers who can assist employees to deal with instances of bullying and harassment. Employees also have access to private counsellors through a government funded employee assistance program. Each agency has a written policy which outlines the options available to aggrieved employees.

**CHAIR:** It is now time for government questions.

**Ms JONES:** Minister, you spoke before about the department having to deal with an increase in inquiries as a result of WorkChoices. I refer specifically to page 2-17 of the MPS which actually indicates that 17,000 clients have been assisted regarding the complexities of the federal WorkChoices legislation. Minister, in your view, why has there been such a need to assist so many people?

**Mr MICKEL:** Since the operation of the WorkChoices amendments in March 2006, Queensland employers and employees have shown little faith in the federal government's industrial information service. As I said, this is reflected in the number of clients who continue to contact Queensland's Wageline service and use the Wageline web site.

Do you remember what you were told under WorkChoices? That it was going to be a fair, uncomplicated system. That is what the \$90 million has been spent on. I will just show the committee how simple and uncomplicated the system is. You will see it here on this large diagram I am holding up. This chart is the fairness federal fairytale system of industrial relations. I just ask you this: how would a small business, an employee or an unskilled person follow this? I do not know how *Hansard* is going to get this down but I will give them a copy of it later. It does have the word 'fairness' in it before it jumps around to a few other complicated pieces. The word 'fairness' is there because they do not want you to think it is an unfair system. This diagram has all those coloured in boxes because they think it should be a simple system.

I invite the member for Ashgrove to give this a run in Ashgrove at the shopping centre down there and show it to the people and see where they might fit in with it. Take it along to the workplaces in Ashgrove and they will be delighted at the fact that they can quickly get a remedy from any one of these little boxes for their system! I will leave that on the table. I will not table it because I think it is far too heavy to table, but I simply say this: if Mr Hockey and the federal government think that farrago of fantasy masquerades as fairness, they are kidding themselves. That is why we will continue to oppose WorkChoices, not just for the employees who are impacted by it but also for the employers who find that there is a paucity of information supplied by their own federal department.

Sure, Mr Hockey can bag the previous minister, but that does not take away the complexity and the unfairness of the system. You cannot blame federal public servants for trying to put together what is a cobbled together, mishmash of policy—and that is all WorkChoices is. It was driven in the last bit not by any attempt at fairness but because they looked up the opinion polls, did a few focus groups and found that, guess what, the workforce thinks it is unfair. So they said, 'Hang on, we'd better put a bit of a fairness thing in it.' That is why all the boxes have 'fairness' every now and again.

**Mr CHOI:** Minister, I refer you to page 2-21 of the MPS, which indicates that the inquiry which I was referring to in my last question found the economic impact of WorkChoices was far-reaching. Could the minister advise of any link between employment growth and industrial relations systems?

**Mr MICKEL:** I was pleased to look at the Queensland figures today. I can remember when we were bagged by the opposition for saying that we would have an unemployment rate of five per cent. Remember when we were sitting in parliament and this was said—

That is from a Government that has chanted "jobs, jobs, jobs" as its major priority. We have heard the chant "5% in five years". It is meaningless.

Well, today it is meaningless because it is 3.4 per cent. Who said that? Jeff Seeney said that. I will tell you what else he said. He said—

There is no greater indicator of this government's failure than its lingering promise of a five per cent unemployment rate, which it has consistently failed to achieve.

You bet we have. We have overachieved. It is 3.4 per cent. If you want to know whether WorkChoices has achieved that, it has not because the Queensland economy has been growing strongly. In the 14 months since WorkChoices we have had an employment growth rate of around five per cent. For the 14 months before WorkChoices, it was already pretty high. However, if growth in employment was solely the result of WorkChoices, employment growth since March 2006 should have followed a roughly similar pattern. Did you hear the interjection before that it is all because of John Howard? If it is all because of John Howard in Queensland, why has he failed in every other state? Because it is nowhere near 3.4 per cent there.

There has been employment growth across Australia. However, there is significant variation in the distribution of growth between the states. For example, New South Wales, Victoria and Queensland performed strongly post WorkChoices. On the other hand, South Australia's employment growth has only increased marginally. Is that because of John Howard too? In Tasmania and Western Australia, the other boom commodity state, employment growth has slowed.

There are several crucial factors to understand when looking at employment. Chief among these is the industry mix in the different states. Mining has had the single largest increase in employment growth after the commencement of WorkChoices—up 8.6 per cent. It is well documented that an increased demand for commodities like coal, oil and iron ore by developing countries such as China and India—and they do not have WorkChoices either—has resulted in a global commodities boom. There are many factors. To say it is only WorkChoices is absolute rubbish.

**CHAIR:** Minister, page 2-7 refers to the Breaking the Unemployment Cycle initiative. Can you please outline the successes of this program since its inception?

**Mr MICKEL:** I am delighted to. This was a program that was bagged by the opposition as nothing more than painting rocks. In 1998 when we inherited an unemployment rate in Queensland of 8.4 per cent, there was not one labour market program under the Borbidge government to help. They did not even have an employment minister. The unemployment rate peaked at 9.5 per cent in February 1997, so our catchcry in 1998 was 'jobs, jobs, jobs'.

We launched the Breaking the Unemployment Cycle initiative in October 1998 with a focus to raise the competitiveness of the most disadvantaged job seekers in the labour market. Since then, more than 169,000 unemployed Queenslanders have been assisted and over 120,000 jobs created with an investment of approximately \$760 million. More than 71 per cent of those assisted under the Breaking the Unemployment Cycle initiative obtained jobs as a direct result of their participation under the various programs. Of those assisted, more than 40,000 were long-term unemployed or disadvantaged job seekers, more than 39 per cent were young Queenslanders, and more than 39,000 jobs were directly created to assist business and industry.

These statistics represent much more than the factual information. They represent jobs that have been created for Queenslanders. They represent jobs for marginalised job seekers and jobs in skill shortage areas. If my electorate is anything to go by, they have also resulted in enhanced community

pride because those long-term unemployed people have been engaged directly in improving community facilities—and this is not just in the suburbs in my electorate but beyond. There are better things for sporting clubs, for community groups, for schools, all of those things.

Compare that with the Work for the Dole scheme that the federal government had which did not even have a training component to it. Our scheme gave you six months wages. The schemes that worked in my electorate all had a training component to them which enhanced the self-esteem of those participants. I attended a graduation ceremony the week before last and one of those graduates already had a full-time job. She did not get to the graduation ceremony because she was out there getting a full-time job. You will find that with most of the ones you visit. The member for Greenslopes was at one in Bundaberg where over half of them there had a full-time job by the time it was completed.

This gives people who were marginalised six months of getting work ready. I do not expect the private sector to pick that up. That is quite rightly a role for government. The important thing I want to emphasise with you today is this: we will continue to fund these programs.

**Mr GRAY:** Minister, page 2-9 of the MPS refers to the launch of the Experience Pays Awareness Strategy. Can you please advise what response this campaign has had so far for those many mature workers who are out there?

**Mr MICKEL:** The anecdotal evidence I have—and it is firsthand advice from when I opened it at that pie shop at Currumbin—is the people there feel they have a role to contribute. The advice I get back from people is that the mature age worker entering the workforce again offers often times a model for younger workers and provides that stability. This gives the mature age person a stake in the modern economy. It has been good for their morale, and the employers tell me it has been good for their workplaces as well.

We recognise that there is a skill problem and skills shortage. This program is a \$6 million Experience Pays Awareness Strategy to raise employer and community awareness of the ageing workforce, to dispel the negative stereotypes and myths that exist in the community and to highlight the benefits of recruiting, retraining and, above all, retaining mature age workers.

The first phase was the 'Experience, It's Back' advertising campaign, which ran from 18 February to 7 April 2007. It included direct mail to employers and television, radio and print advertising targeting employers, employees and the community. I launched the strategy and advertising campaign on 17 February. Since then, there have been more than 35,000 inquiries made up of more than 2,000 calls to the 1800 number and 33,000 visits to the web site. This resulted in 9,924 information packs being sent out. More importantly, 92 per cent of small to medium sized businesses believe the advertising campaign clearly communicated the value of having mature age workers in the workforce.

It shows us that the Experience Pays Awareness Strategy is already achieving its goal of making employers aware that if they do recruit, retrain and retain older, experienced workers they will be able to cope with dramatic changes in labour supply in the future. In addition, industry liaison officers funded by the strategy are working face-to-face with businesses to assist them with the skills to recruit mature age workers. Our government is also working on strategies to address challenges to the workforce to ensure provision of services to enable delivery of government priorities now and in the future.

Industry and unions are working in partnership to ensure businesses and older workers have every opportunity to capitalise on the needs of the employer and the employee. In previous recent times, mature age workers were encouraged to retire. In this time of skill and labour supply shortage, mature age workers will be relied upon to fill critical gaps in businesses. It has become evident that many businesses need assistance in this area.

**Ms JONES:** Minister, page 2-10 of the MPS refers to Participate in Prosperity, which aims to break the generational cycle of unemployment and welfare dependency. Can you please advise the committee how the strategy will assist those most in need?

**Mr MICKEL:** As I said before, you would think that with 3.4 per cent unemployment we would give up these programs. What I said was, and why I recommit to these programs is this: even in these robust times there is still, on average, 3.4 per cent of people who are not accessing a full-time job. In some pockets it is much higher than 3.4 per cent. We recognise that. So what we have to do is recognise that there may be reasons for that. Some of those are higher order issues for that individual.

That is why we are starting with a pilot program, to see if we can increase the participation in the workforce for some of those people. We recognise that they have higher issues problems. Individuals often lack skills or they face significant life issues and they rely on support from multiple government agencies. In order to break that cycle of poverty and enhance access to paid employment and share in the prosperity, they do need substantial support to help develop the capacity and skills, and to link them with the labour market.

That is why we are trialling this new strategy called Participate in Prosperity. It will pilot in 2007-08 in specific communities to assist individuals and families who have seen that great raft of prosperity just float past them and leave them on the shore. We do not want that to happen. We will be targeting low-

skilled people, lone parents, people with a disability and the long-term unemployed. Research underpinning the initiative came from Professor Tony Vinson titled 'Dropping off the Edge'. We identified a whole range of socioeconomic characteristics and indicators. In particular, the south-western metropolitan corridor stretching from Wacol to Beenleigh has been highlighted, with the electorates of Inala and Woodridge still experiencing really high levels of unemployment.

Cross-government negotiations have identified the south-western metropolitan corridor as the most suitable initial pilot project area. Complementary projects already delivered in the area by other Queensland government departments will enable this program to make a difference. That is our expectation. We want to support organisations in these highly disadvantaged areas that are already at the coalface working with people. It is meant to supply the skills to try to help these people access the employment and the prosperity that goes with a full-time job.

**Mr CHOI:** Minister, page 2-27 of the MPS shows that under the Construction Industry Action Plan the fatality rate has declined by a massive 38 per cent—the largest decline in any industry sector. How has this tripartite coordinated plan achieved this wonderful result?

**Mr MICKEL:** I say that one death is too many, and so we are always keen to make sure that we have the safest working environment. I always say to people that, for anybody who says goodbye to their loved ones in the morning, their loved ones have the reasonable and fair expectation that they will return to them at the end of the day or at the end of the night shift—certainly tired but they will return to them. I want to launch a program later in the year to emphasise just that point.

Employment in the construction industry for the period 2003-04 to 2005-06 grew at the rate of 21 per cent, which is considerably higher than the eight per cent general employment growth. The National Occupational Health and Safety Strategy 2002-12 and the Queensland Workplace Health and Safety Strategy 2004-12 both identify the construction industry as high risk. In response, the Department of Employment and Industrial Relations, in conjunction with the Construction Industry Sector Standing Committee, developed a planned approach to construction industry safety problems.

Since the commencement of the Queensland Workplace Health and Safety Strategy, the incidence of compensated work related injuries for the construction industry decreased by five per cent between 2003-04 and 2005-06 while the incidents of compensated work related fatalities decreased by 38 per cent over the same period. The building and construction industry initiative delivered through Workplace Health and Safety Queensland consists of ongoing funding for the employment of 22 additional specialist construction inspectors to complement the continuing growing of the Queensland construction industry; maintaining a construction strategy group which builds in partnership with representatives of the building and construction industry to develop strategies to ensure safe and healthy construction work environments; and identifying opportunities to provide incentives for the safe design of plant and equipment used in construction work and developing strategies with professional industry groups to support the current statutory requirements for safety and design.

In addition, in November 2005 Queensland was the first state to adopt the national standard for construction work. The national standard is supported by a national code of practice for the prevention of falls in general construction. The declared national code of practice includes a height threshold of two metres at which workers must be physically protected from a fall. Queensland has adopted the two-metre threshold for non-residential construction. Queensland legislation currently provides a three-metre threshold for physical fall protection in residential construction pending the outcome of public consultation. We have also worked actively and cooperatively with New South Wales and Victoria to achieve consistency right across the east coast.

**CHAIR:** We will have some more non-government members' questions.

**Miss SIMPSON:** Minister, page 2-17 of the MPS states, 'WorkChoices has created a complex industrial relations environment.' However, the Master Plumbers Association recently criticised the Queensland government's response to IR laws stating, 'Employers need to know what is required of them and should not have to work through two systems of jurisdiction with all the attendant pitfalls just to spite the national WorkChoices system.' Minister, why should Queensland small businesses bear the burden of cost of your spiteful political campaign?

**Mr MICKEL:** If we look at this diagram, where do you reckon if you were a plumber you would fit into this system? This is not my system; this is the federal government's fair and simple WorkChoices system.

**Miss SIMPSON:** You have tried to take jurisdiction when you do not have jurisdiction and small businesses are criticising you.

**CHAIR:** Member for Maroochydore, the minister has the call.

**Mr MICKEL:** She is embarrassed. I understand that. I would be embarrassed, too, if I had to support a federal system that gave me that as a plumber to try to work my way through. So do not be harsh on her, Mr Chairman. It is late in the afternoon. If I had that and a little bit of fairness tucked away in a couple of boxes, I would be inclined to think that was a fair system as well. Of course it is not. It is a

complicated mishmash that small business just fails to grapple with, not because they do not want to grapple with it but because it is a confusing system. It is a jumble, and it is a jumble that constantly changes for them. Having been told that there will be no fairness test, John Howard backflipped and put in one, because that is what the focus groups told him to say. When he looked he was 12 points behind, so he whacked a little bit of fairness into a couple of these boxes, thinking it will be easier to understand. That is why they will not fund \$250,000 for the hotline inquiries, because they are embarrassed. That is why Joe Hockey will not answer the 800 queries we have sent to him, trying to duck behind it. They have spent \$90 million trying to convince small business about this.

If we want to talk about a confusing system, let me go to workplace health and safety federal coalition style. The Commonwealth has chosen to ignore the concerns of Queensland and has pushed ahead with changes to workers compensation and occupational health and safety legislation. We have been keen to cooperate to achieve greater consistency but the Commonwealth is in this race to the bottom. What these changes mean is that large employees who self-insure under Comcare are covered by the Commonwealth occupational health and safety legislation but they are excluded from the state and territory laws. A key issue is that Comcare does not have the necessary inspectors on the ground to enforce safety laws. If you are a plumber working on a site, you would face greater complexity and fragmentation of workplace health and safety coverage. For example, national self-insurers come under Commonwealth safety laws and their contractors are covered by state safety laws. Why doesn't the Commonwealth, if it does not have the resources, just butt out of it? We did not want WorkChoices; you wanted it. Now it is the employers who are suffering. Of course they are going to be upset by that system. We did not want it and neither did many of them.

**Miss SIMPSON:** Minister, I have a question with regard to 2-23 concerning the Industrial Court and commission system. Can you advise us how many of the commissioners have been or will be offered voluntary employment redundancies and at what cost?

**Mr MICKEL:** We did not want to have a hit list or anything like that. Obviously if you have a package of voluntary early retirement we wanted to see who wanted to take advantage of it. As I said, the system that has been in place under successive governments was one of retirement at the age of 70. What I indicated to the media was that we would test to see—the difficulty is this: if you allowed them all to go, you would have no system for the 40 per cent of the workforce that we still cover. In an election year, with every prospect now of the happy demise of the Howard government, I want to be sure that we have the nucleus of a system still there so that we can talk to the incoming federal minister. So it has been a balancing act—a balancing act of retaining a viable system and one where, having paid out, I do not have to come back after the federal election and re-engage people because we might have a fairer system; that is, a system that recognises the involvement of the states.

**Miss SIMPSON:** She has indicated a centralised system, though, Minister.

**CHAIR:** Order, please.

**Mr MICKEL:** I will take it on the discussions I have had. The discussions I have had are very much about having a state system. The conservatives in the 21st century forgot what the conservatives in the 20th century used to say. When I was a kid you were on the knee of the Liberals and they would say, 'We believe in a federal system and there is a role for the states.' John Howard ripped up all of that. As a state member I believe in a state system. So what we have been doing is seeing who is there. One commissioner has left and Commissioner Brown has taken up the position of the Ombudsman, so we are down two.

What I want to do is work through the process to see whether in the next couple of weeks other commissioners will avail themselves of that opportunity. But, as I said, it is a balancing act. I make no bones about it. It is a balancing act between retaining a system and at the same time recognising that the current laws mean that we have lost control of 60 per cent of the workforce and I do not like people being paid to do nothing. So that is the balancing act I have.

**CHAIR:** That concludes the examination of the estimates for the Department of Employment and Industrial Relations. Thank you, Minister, and your advisers for your attendance. The transcript of this part of the hearing will be available on the Hansard web site within two hours from now. The committee will now adjourn for a short break and resume at 4.15 pm to examine the proposed expenditure for the portfolio of the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland.

**Mr MICKEL:** Mr Chairman, before we close can I thank the committee for a very engaging process both before lunch and after lunch. I thank all my staff from the department who have engaged in massive preparation. Now I know what you are really up to. I happen to believe in this system. I think it is a very good system for the people of Queensland, it is a good system for me as minister and it is a good system for you as members of parliament to learn exactly the breadth and scale of. I thank the members of my department, as always, for their impartiality, for their enthusiasm and for their professionalism but above all for their dedication. I do appreciate that and I want you all to know that.

**Proceedings suspended from 4 pm to 4.15 pm**

## ESTIMATES COMMITTEE C—NATURAL RESOURCES AND WATER

### In Attendance

Hon. CA Wallace, Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland

#### Department of Natural Resources and Water

Mr S Spencer, Director-General

Ms D Best, Deputy Director-General, Water and Catchment Services

Mr C Robson, Assistant Director-General, Land and Vegetation Services

Mr D Brown, Assistant Director-General, Service Delivery

Mr P Philipson, General Manager, Finance and Assest Management

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**CHAIR:** The hearing of Estimates Committee C is now resumed. On behalf of the committee, I welcome the minister, departmental officers and members of the public to the hearing. The next item for consideration is the proposed expenditure for the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. The first session will cover land and vegetation services.

The committee will suspend proceedings for a short break from 5.45 pm to 6 pm. I remind members of the committee and the minister that the time limit for questions is one minute. Answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of each of these time limits. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after the extension of time has been given.

The standing orders require that at least half the time available for questions at today's hearing be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between the government and non-government members. Government and non-government members will take turns at asking questions in blocks lasting approximately 20 minutes commencing with non-government members.

I ask advisers to the minister to identify themselves when they first come forward to answer a question if the minister refers a question to them so that Hansard can record their name. I also ask that any mobile phones and pagers be switched off or switched to silent mode now, please. I now declare the proposed expenditure for the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland open for examination. The time allocated is three hours. The question before the committee is—

that the proposed expenditure be agreed to.

Minister, under standing order 177 you are able to make an opening statement that does not exceed five minutes.

**Mr WALLACE:** Thank you, Mr Chair, and thank you, committee members, for your attendance. This is my first estimates as a minister and I look forward to the proceedings this afternoon. The management of Queensland's natural resources for today and tomorrow is a task as big as Queensland and as complex as the varying needs of Queenslanders.

Since the estimates committee sitting last year, the Department of Natural Resources and Water has divested responsibility for mining and biosecurity activities and taken on new roles in water recycling and in climate change science. These changes have clearly focused the portfolio on the business of natural resource management for which a \$608.6 million budget has been allocated in 2007-08. Natural Resources and Water is responsible for developing and implementing water management reforms. Its work includes water planning, water entitlements and trading, the regulatory framework for operators of water supply schemes and responsibility for wild rivers and riverine matters. The agency also regulates areas such as water recycling and dam safety. It oversees statutory water service providers and water industry asset management.

It is important to point out that Natural Resources and Water is not a builder. This is left to the Department of Infrastructure which is responsible for construction of dams, weirs, pipelines, desalination plants and the like. Other areas that are outside NRW's brief include south-east Queensland's regional drought and water security planning, water quality standards and the provision of reticulated water supplies.

Climate change is very much a departmental business. That is why the Queensland Climate Change Centre of Excellence has been established within Natural Resources and Water to provide policy advice, information and science on climate change and its impact. Indeed, today I informed the media about our \$7.6 million four-year project to study the effects of cloud seeding on rain patterns in

south-east Queensland as a possible way to improve dam levels. Committee members might be interested to know that this vial of silver iodide is enough to create many, many thousands of megalitres of water should our plans succeed. We expect to have aircraft start doing their first airborne research and cloud seeding flights by the end of this year.

To help Queenslanders save water and cope with the effects of drought, funding of \$1.8 million has been provided for the very popular WaterWise rebate schemes in 2007-08. We are also seeking new sources of water. This budget includes \$6.5 million over four years to identify potential groundwater sites and study suitable extraction regimes. Also beginning this year is a \$10 million four-year Queensland water recycling strategy. During 2007-08 we will finalise more water resource plans and resource operation plans to provide the strategic framework for the allocation and sustainable management and use of water in Queensland and also meet our national water initiative commitments.

To date this important function has commenced or been completed in more than 94 per cent of the state's catchments. This year's budget includes a four-year \$18 million funding boost to assist in finalising regional water supply strategies right across Queensland. One priority, as you will appreciate, Mr Chair, is the finalisation of the Far North Queensland Regional Water Supply Strategy.

Our achievements are not limited to water, however. We in Queensland are turning Indigenous reconciliation into reality. To date 35 native title consent determinations have been made in Queensland, which is more than 61 per cent of the total for Australia. Our priorities this year include continuing programs to recognise Indigenous natural resource interests and resolve tenure issues, particularly on Cape York.

In vegetation management, the end of broadscale clearing in Queensland on 31 December 2006 equates to a reduction of almost 20 million tonnes of greenhouse gas emissions. It should be noted that Australia was only able to meet its Kyoto target for reducing greenhouse gas emissions due to this Queensland initiative. It should also be noted that the Howard government did not contribute one cent to this world-class environmental reform. Although it has claimed credit, it was all Queensland.

Finally, data from the department's statewide land cover and tree study released on Monday shows tree clearing is continuing to decrease. The average annual rate for clearing woody vegetation in 2004-05 was 351,000 hectares—27 per cent lower than the previous year.

**CHAIR:** The first round of questions will be from non-government members. I call the member for Darling Downs.

**Mr HOPPER:** Thank you, Mr Chairman. Minister, let me congratulate you on your first estimates. I would also like to thank you for the number of questions on notice that you have answered. At our previous session we did notice that a lot of questions were not answered by other ministers and so we in the opposition certainly do appreciate the answers that we do get.

However, there is one question that still remains to be answered and I will touch on that in a moment. I refer to the MPS on page 21, Future Developments, and in particular dot point one, a review of the implementation of the Vegetation Management Act 1999. Minister, I refer to the recent court case of Ashley McKay whose appeal was upheld because staff in your department gave false evidence against him and conducted a biased investigation which included fabricated evidence. On 6 March 2007 I asked what action you had taken. What action have you taken against these staff?

**Mr WALLACE:** That matter, as I advised you in the parliament, is currently being reviewed by an independent reviewer. My Director-General, Scott Spencer, do you have anything to add to that?

**Mr Spencer:** The matter was referred to me by the CMC. I immediately took action to get an experienced and well-known independent investigator. I have not yet received the report of that investigator so I am not in a position to make any other statement at this stage.

**Mr HOPPER:** Further to that question, when do you expect to hear from that investigator?

**Mr WALLACE:** When the investigation is complete.

**Mr HOPPER:** Do you have any idea when that investigation will be complete?

**Mr WALLACE:** The investigation will run its course and it will be completed when the investigation is done properly and due process is accorded to everyone concerned.

**Mr HOPPER:** If that investigation does happen to find that these staff members have given fabricated evidence towards Mr Ashley McKay, with his successful non-conviction, what action will you then take?

**Mr WALLACE:** I will not speculate on the outcome of the investigation. That would be impolite and incorrect.

**Mr HOPPER:** I refer to MPS page 6, Property Maps of Assessable Vegetation. I refer to the services provided to landholders by the department, in particular those mentioned on page 6 of the Ministerial Portfolio Statement, especially mapping and spatial information. The Service Delivery and Performance Commission's review of the roles and responsibilities of your department published in

February 2007 was very critical of both your department and the EPA, making the suggestion that updating the current MOU of the two departments in relation to the roles and responsibilities of each department in vegetation management mapping would speed up mapping processing.

Question on notice 925 suggested that the processing of Property Maps of Assessable Vegetation management was taking as long as 600 days for some landholders—some 135 days, 148 days for Gayndah and Mundubbera. What steps have you taken to update the MOU with the EPA?

**Mr WALLACE:** Property Maps of Assessable Vegetation, known as PMAVs, are a feature of the vegetation management framework which gives landholders certainty on how they can manage their non-remnant vegetation or what is commonly called the white areas on the regional ecosystem maps. This is an example of a PMAV. You can see the white area quite clearly which is what is called category X and the pink area which is an area that the landholder has some concern with.

A PMAV may also be made where the department seeks to keep an area that is subject to clearing as assessable vegetation—for instance, in the case of fodder harvesting. As of 2 July 2007, the department has received 3,450 applications for PMAVs from landholders either seeking to lock in or contest the regional ecosystem boundaries. Uncontested applications or applications that agree with the regional ecosystem mapping produced by the EPA account for 2,998 applications or 86 per cent of the applications received to date. The remainder of the applications disagree with the regional ecosystem mapping or seek better scale mapping.

There were some delays in processing these types of PMAVs as priority was quite rightly given to processing valid applications. I am informed by my department that following completion of the ballot significant resources were then allocated to the production of this type of PMAV. As at 2 July 2007 the department has provided offers to 3,232 or 94 per cent of the 3,450 applications received to date, with 1,307 certified in the 2006-07 financial year.

The outstanding applications yet to go to offer are under assessment or waiting additional information from the applicants. Of the offers made, 201 or 6.2 per cent of the applicants receiving offers from the department have requested reassessment. Reassessment of applications will be conducted over the next three months as property visits can be arranged and when applicants have been able to gather the supporting information required. Most new PMAV applications are now being processed to offer within the relatively short timeframes of 20 business days in the case of applications that seek to lock in the current mapping and 60 business days in more complex cases where the applicant is seeking a change to the mapping. Any delays beyond these timeframes are usually due to extenuating circumstances such as missing information or difficulties in arranging property inspections.

Officers from my department continue to work closely with applicants seeking to contest the mapping to ensure that new applications are complete and contain all the relevant information. This support has meant that applicants have greater understanding of the process and the assessment steps and are capable of compiling applications that enable faster assessment times. I point out also that the commission—

**CHAIR:** Your time has expired unless the member is prepared to offer you an extension. It is his question.

**Mr HOPPER:** Referring back to question one once more, I know we cannot mention the case at all and I understand that, but you mentioned an investigation taking place. Is that investigation being conducted internally within your department or other government agency or is it being conducted externally to government?

**Mr WALLACE:** If I could have my Director-General, Scott Spencer, reply.

**Mr Spencer:** I engaged an external consultant, the Consultancy Bureau, who have experience in that process. It is not being undertaken by my department.

**Mr HOPPER:** Back to question two, have any of the landholders been prosecuted while waiting for the PMAVs to be processed?

**Mr WALLACE:** My department informs me that no landholders have been prosecuted waiting for PMAVs to be produced. There has been a delay, as I said, in supplying PMAVs because we did want to get that ballot over and done with so that people had time to clear their land. I think that is reasonable. This was so that you could get a contractor on where you needed to clear. We quite rightly made that a priority. I am not aware of any and my department informs me that they are not aware of any.

**Mr HOPPER:** On MPS page 2 it refers to a further \$20 million for the vegetation management structural adjustment package. The Queensland coalition welcomes that funding. In fact, we think that the rural industry should receive far more money for the costs that it bears on behalf of our state. Do you agree that landholders subject to vegetation management laws have paid an environmental cost on behalf of the state?

**Mr WALLACE:** The broadscale land clearing legislation that the Beattie government has introduced is a great piece of legislation. We thank landholders who are working with the Beattie government in that regard. We want to thank landholders who have, by and large, worked very closely with my department.

The \$130 million vegetation management structural adjustment package was introduced to provide assistance to a farm business affected as a direct result of the introduction of the new vegetation management framework in 2004. The financial assistance package has been managed by QRAA, formerly the Queensland Rural Adjustment Authority, on behalf of the Queensland government with my department providing technical advice and assistance to both farm businesses and QRAA.

The assistance available comprises: enterprise assistance to provide grants up to \$100,000 to implement an enterprise management plan; exit assistance to purchase properties rendered unviable by vegetation management laws; and small business emergency assistance providing eligible clearing contractors with interest subsidies of up to \$10,000. The closing date for applications for financial assistance was 21 February 2007. Some 1,610 affected landholders applied to QRAA for assistance by that date.

I can inform the committee that, as at 30 June 2007, enterprise assistance has been provided to 1,305 landholders representing an investment by the government of \$111 million. Interestingly, the total value of investments identified in enterprise management plans prepared by all landholders is \$224 million, representing a coinvestment by landholders of \$113 million in property infrastructure and business improvement. This total investment represents a significant injection into the future prosperity and confidence of rural Queensland and demonstrates confidence in landholders to invest in business improvements.

In relation to the purchase of the properties, as at 30 June 2007 a total amount of \$9 million has been provided for the purchase of five properties with an offer of an additional property. Properties purchased under exit assistance have either been acquired as new national parks or transferred to the Queensland Trust for Nature for resale. Properties have been purchased near Duinga, Adavale, Mungullala, Cunnamulla and Surat.

Tree clearing contractors have received \$10,000 each as small business emergency assistance. This process assists contractors with interest payments on existing loans for equipment. As at 30 June, QRAA had 223 applications to finalise assessment. Because of the large number of applications lodged immediately prior to the closing date, it is expected that assessment of these applications will continue over the coming weeks in an effort to finalise allocations of funds as soon as possible. I have asked my department to make this a priority.

**Mr HOPPER:** An ABARE report and a Productivity Commission report put the cost of native vegetation management laws at between \$500 and \$520 million. Why do you not increase the compensation to landholders who are paying an environmental cost on behalf of the state to a figure closer to that suggested by ABARE and the Productivity Commission?

**Mr WALLACE:** As you pointed out in your first question, member for Darling Downs, we have increased that level of assistance by \$20 million. As you pointed out, that study was undertaken by a federal department. It is a pity that the Howard government has not assisted Queensland landholders who have taken action in this regard.

As I pointed out in my opening remarks, the action of Queensland landholders in adhering to vegetation management laws is the only reason the Howard government has met its Kyoto targets. It has not given Queensland landholders one cent for that action. I think it is an indictment on the Howard government that it claims credit for achieving the Kyoto targets but does not contribute to assistance for Queensland landholders.

The ABARE report found that approximately half of the 351 farmers surveyed in a 540 square kilometre study region of southern and western Queensland wanted to develop their properties further but were unable to do so. Landholders indicated that up to 14 per cent of the survey region was likely to be affected by native vegetation regulation and other factors.

The report looked at the differences in value between developed and undeveloped land and assumed, without looking at the productive capacity of that land, that such development would be viable. Landholders are confronting a wide range of challenges and managing viable enterprises against a backdrop of continuing drought, high fuel prices, a series of interest rate increases and new natural resource management requirements relating to vegetation clearing and water use.

However, in Queensland—different to other states like Victoria and New South Wales—only remnant vegetation is protected on freehold land, enabling landholders to manage and develop the non-remnant vegetation without constraint. Landholders can also apply to clear remnant vegetation for a range of relevant purposes such as for weed control, fodder harvesting, thinning of thickened vegetation and clearing for a necessary fence, fire break, road or other built infrastructure.

In the grazing lands of south-west Queensland fodder harvesting can occur under a permit to feed stock, allowing the continuation of management practices that have occurred since these areas were settled. These matters appear not to have been taken into account. As with previous reports, ABARE did not give any consideration to the benefits of native vegetation regulation.

In terms of a comprehensive economic analysis, the report looked at the immediate potential economic impacts as perceived by the landholders surveyed. In doing so, it failed to consider the medium- and long-term impacts on the agricultural sector of issues such as land degradation, salinity and greenhouse gas emissions. It also assumed that all those areas would be available or suitable for development and use. Regardless, Queensland did make available a significant financial assistance package, including the \$150 million for structural adjustment which 1,610 landholders have applied for.

**Mr HOPPER:** A *Queensland Country Life* report on 17 April 2007 discusses the work of a pre-eminent expert on woodlands ecology and scientist respected worldwide for research into vegetation thickening, Dr Bill Burrows. He estimated in 2003 that the net present cost to Queensland of unchecked vegetation thickening over a two-year period would be \$900 million, a far cry from the state's \$150 million compensation package. The article states that while the deficiencies of land clearing laws are not the making of the current ministers for DPI&F and natural resources, they now have the opportunity to remedy the situation. Will you reassess the vegetation management laws and in doing so finally take into consideration the works of Dr Bill Burrows?

**Mr WALLACE:** We know that those opposite have never supported the vegetation management laws in Queensland.

**Mr HOPPER:** We know the pain that they have caused.

**CHAIR:** Member for Darling Downs, you have asked your question and the minister now responds. That is the way it is going to work this afternoon.

**Mr WALLACE:** Thank you, Mr Chair. We know that members opposite have never supported the vegetation management laws in Queensland. We know that the Beattie government has been the only government with the courage to pass those laws and to bring them about for the good of Queensland, the good of our nation and the good of the earth as a whole.

Thinning is the selective clearing of vegetation to restore regional ecosystems where unnatural thickening has occurred. The government recognises that the unnatural thickening of native vegetation is an important land management issue. For this reason, clearing for thinning is a relevant purpose under the Vegetation Management Act 1999 for which landholders can apply for a permit.

Prior to the VMA, a thinning permit may have allowed clearing parkland like landscapes as the landholder's objective was to limit tree growth allowing more grass. This type of clearing is no longer possible and landholders require a permit to carry out any thinning practices. Thinning permits assessed against the new codes introduced in November 2006 better reflect the definition of thinning under the Vegetation Management Act. The old code required more detail and guidance to achieve this.

Following an extensive review, new regional vegetation management codes, which include the thinning codes, came into effect on 20 November 2006. The new code now provides a greater flexibility for landholders to demonstrate thickening and clear guidelines on what vegetation must be retained under the thinning permit. A plain English landholders guide to thinning is being prepared to assist landholders to prepare and lodge their thinning application. This guide will be available by the end of the year.

In relation to thinning issues, the Department of Primary Industries and Fisheries recently finalised some research on grazed woodlands in central Queensland which indicates a general pattern of increased thickening of some native vegetation. This research was being conducted to help identify options for landholders to manage their properties in the context of changing landscapes. The research suggests that more than 60 per cent of vegetation has thickened. While some ecosystems have recovered to more natural compositions as a result of the end of broadscale land clearing, other ecosystems that are more naturally less dense have thickened in response to changed land practices. In some circumstances this has meant reduced grass cover. Landholders can apply to thin these areas but not to the extent of doing so to create grazing lands, making it less desirable to undertake the practice of thinning. The government will continue to pursue new practical and economic ways of managing vegetation to maintain its natural condition.

**Mr HOPPER:** Minister, I would like you to answer a few questions off the cuff. I have a heap of questions here. It would be great to get through them. Non-government question on notice No. 1 part 3 outlines the breakdown of total land acquired by government for future dam sites. Minister, I understand the situation with land for the Wyaralong Dam, the Traveston Crossing Dam and the Cedar Grove Weir sites. However, I note that the only land that is still being held by the department for future dam sites is for the Nathan Dam in the Taroom area. I refer to non-government question No. 5 in the budget estimates in 2004. Does the department still own 5,507 hectares of land that has been acquired for the raising of the Borumba Dam? If so, why was it not listed? Has it been sold? If so, when and for how much?

**CHAIR:** The question is overly complicated. You get one question. There were about five questions in that. The time has expired.

**Mr HOPPER:** I beg to differ on your opinion.

**CHAIR:** We are not here to debate it. I have made the ruling and that is it. If you want to go into private session to debate it, we can do that. I am happy to take the committee into private session and we can argue it out there, if that is what you want to do. The time has expired. I suggest you simplify your question and ask it again during your next session. It is now time for government questions. The first question is coming from me.

**Mr HOPPER:** It's a joke.

**CHAIR:** With reference to page 22 of the MPS some members of the opposition have raised concerns about the requirement that local councils charge the users of the Queensland stock route network for grazing and working cattle in times of drought. Can you explain why the legislation imposes this requirement on councils and whether there are any benefits to councils and stock route users in paying the fee? Before you answer, Minister, the member for Darling Downs has just said that my ruling is a joke. It is a reflection on the chair and I ask you to withdraw.

**Mr HOPPER:** I withdraw.

**CHAIR:** Thank you.

**Mr WALLACE:** Thank you for your question. That is quite a good question, especially considering the current drought. The stock routes and associated reserves of the Queensland stock route network continue to provide pastoralists with a means to move stock on hoof around the state's main pastoral districts as an alternative to trucking and other contemporary methods.

Stakeholder groups strongly support the retention of a network of roads and other land for the traditional moving of stock on hoof. They also see the retention of the network as a means of protecting the land's associated conservation, recreational, cultural, tourism and heritage values. I appreciate the difficulties graziers face in many parts of the state as the drought continues. However, the primary reason for retaining a stock route network is to facilitate the movement of stock around the state. It can also assist landholders during drought by allowing short-term grazing while longer term drought management strategies are implemented. This view is consistent with the recently released Queensland Stock Route Network Management Strategy 2006-09. The purpose of the strategy is to provide the appropriate direction and enable coordinated management of the stock route in Queensland.

Some members of the opposition and certain local governments in western Queensland have called upon the government to waive stock route fees. While waiving or reducing agistment fees would provide some financial relief to landholders, there are real costs associated with managing the stock route network. Two of the guiding principles in the legislation governing the use of the stock route network are public use and payment for use. All stock routes are roads and as such are public land set aside for the use of the community. Also, someone deriving a benefit from the stock route network should expect to pay a reasonable amount for its use.

The fees paid by graziers are provided to local governments to assist them in meeting their obligations to maintain the stock route infrastructure. Local government retains 50 per cent of stock route fees collected in their local government area and the balance of the fees are remitted to my department. The portion of fees collected by my department is invested directly back into the management of the stock route network through the provision of funding to local governments for water facility maintenance, training and other management initiatives. As councils must cover the costs of managing the stock route network in their local government area, waiving the fee would shift the cost from network users to other ratepayers who do not receive any benefit from the network.

**Mr CHOI:** Minister, the second last paragraph on page 21 of the MPS says that the vegetation management customer service enhancement project will be finalised and that the project will reduce vegetation management application assessment times and facilitate improved vegetation management dealings with clients. What has been done and what future plan has been put in place and how has that improved the service to constituents?

**Mr WALLACE:** Thank you, member for Capalaba, for a very good question. The focus of vegetation management to date has been implementing the government's commitment to broadscale clearing to an end as well as building a framework for assessing tree clearing applications for the activities that landholders can do in the future. My department is now putting in place a range of measures to improve customer service, streamline the application process and reduce assessment times. The customer service enhancement project brings together a range of initiatives in a planned and sustained effort to drive improvements. Some of the work is internal—for example, we are improving administrative processes and information support systems to ensure clearing applications are received, tracked and effectively managed from receipt to completion and that front-line staff have the information needed to provide solid advice and assistance to clients. We have also provided better access to the information landholders need in order to lodge an application. For example, a trial of new approaches has been commenced for fodder applications where landholders receive an application kit containing a range of information relevant to their application such as aerial photography, base maps and/or satellite imagery customised to their particular property.

Another initiative relates to a renewed focus on communicating with applicants. This involves encouraging landholders to meet with staff face to face prior to lodging their application to clarify any issues that might arise and establish a point of contact. Additionally, a new plain English guide has also been produced in consultation with stakeholders to guide a landholder through the application and assessment process step by step and help them to prepare their application. Three guides have been released to date—a general applications guide to assist with the preparation of all types of clearing applications, a specific guide for fodder harvesting and a guide to assist with conducting forest practice activities consistent with the code. Staff also use the guides in discussions with applicants to help them understand application requirements. Two more guides are in production for weeds and thinning and are due to be released later this year.

The response from clients to these approaches has been very positive. The key focus of these initiatives is to make the application process less onerous and to ensure that applications, when received, are properly made and ready for assessment, streamlining the assessment process so that decisions can be made quickly and efficiently. Thus within the context of vegetation management laws, the goal of the customer service enhancement project is to assist landholders to understand what they can do and how to go about it.

**Ms JONES:** Minister, page 20 of the MPS refers to the release of the new vegetation management codes. I am aware that these codes were amended following a very extensive public consultation process. I understand that as a result of this exercise the vegetation codes will be reduced from 24 to four. Can the minister detail why this streamlining was required and how this process has assisted people in obtaining approvals of applications for ongoing clearing?

**Mr WALLACE:** Thank you, member for Ashgrove. The new vegetation management codes used to assess clearing applications came into effect on 20 October 2006, as you would recall. These codes are now simpler and easier to use for both landholders, departmental staff and stakeholders. The previous codes were based on the commendable efforts of the regional vegetation management committees and resulted in 24 codes that reflected the diversity of landscapes and of approaches to clearing raised by those regional committees. These codes were in place for over two years and a lot was learnt in that time by the department, landholders and stakeholders about their application. The new codes were developed following extensive public consultation. The feedback from that process and the experience of the previous codes indicated that the complexities of having 24 regional codes outweighed the advantages of such diversity. As a result, the new codes were reduced to four based on broad regional areas. This simplification was made with the assistance of landholders and stakeholders throughout the consultation process and still maintains the practical approach that the regional vegetation management committees sought to provide to the previous codes.

The new codes provide more flexibility for applicants, showing different ways to meet performance requirements for protecting native vegetation. As a result, the complexity of the process is reduced and decisions have been made more quickly on applications. With the end of broadscale clearing on 31 December 2006, the new codes are now focused on what landholders can do. They are simpler and more flexible but at the same time ensure broadscale clearing does not occur. Although Queensland has some of the soundest vegetation protection requirements in Australia, these codes support those activities that can be conducted under the Vegetation Management Act 1999. To assist with understanding the codes, simple language guides are being prepared that will help landholders lodge their applications for clearing. Guides for weed control and thinning will be available later this year. A guide for fodder harvesting, a general guide to clearing and a guide for undertaking our native forest practice are now also available from my department. To further support the fodder harvesting guide, the department has produced an application work sheet which leads landholders through the information that they need to supply. To assist landholders in completing their fodder harvesting application, the department is also providing a free application kit containing satellite images and maps and a free one-on-one advisory service where, as I said earlier, landholders can meet with departmental officers.

**CHAIR:** Minister, page 20 of the MPS talks about the work the government has already done to lay the groundwork for the State Rural Leasehold Land Strategy. What benefits will this strategy bring for graziers, Indigenous people and the environment? What is the timing for these reforms?

**Mr WALLACE:** Thank you, Mr Chair, because I know you will appreciate the response to this question considering the intricacies in your electorate. The State Rural Leasehold Land Strategy is nearing finalisation and is on track to commence in January 2008. While the government is continuing to progress the development of the policies, standards and guidelines necessary for implementation, the Land and Other Legislation Amendment Act 2007 provides the amendments to the Land Act 1994 that will support the implementation of the strategy. The strategy will provide leaseholders with longer lease terms where they agree to improve the quality of their land, enter into conservation agreements or provide land access to the traditional owners. The strategy will benefit leaseholders by allowing them to plan for the future while encouraging best practice property management. This strategy represents a sensible outcome for the state, leaseholders and the environment, and the Queensland government has allocated \$19 million to the strategy over four years. This includes \$4 million in 2006-07.

Under the Land and Other Legislation Amendment Act 2007, lessees will continue to be eligible for 30-year leases at renewal, as is the current practice. It also enables the government to offer a 40-year lease for rural leasehold land in good condition. For land in good condition, the act also provides access to 50-year leases where the lessee has negotiated an Indigenous access and use agreement and, where appropriate, a conservation agreement or conservation covenant. An Indigenous access and use agreement can take the form of an Indigenous land use agreement or a contractual agreement between the lessee and Aboriginal people or Torres Strait Islanders that allows traditional activity to be carried out on the leased land.

The strategy recognises that security of tenure is required for successful grazing and agricultural enterprises and acknowledges and rewards sustainable management. To underpin this, the act enables lessees to apply for lease extensions. Even those lessees who receive a 30-year lease term because their land is not in good condition will still have the opportunity to access longer lease terms where they can demonstrate that they have returned their land to good condition. Under the act, a lessee who is initially granted a 30-year lease may apply for a one-off 10-year extension if they can demonstrate that they have returned the land to good condition within the first 10 years. Similarly, lessees with a 40-year lease also have the opportunity to receive a 10-year extension where they choose to enter into an Indigenous access use agreement and, where appropriate, a conservation agreement. Can I say that I congratulate bodies such as AgForce for their dealings with the government and my department. It has been exceptionally well done. I think that was a win-win for the government, conservation groups, Indigenous groups and landholders.

**Mr GRAY:** Minister, it has been reported widely that Queensland is leading the way in assisting Australia to meet its Kyoto targets—a target I am passionate about. Page 19 of the MPS indicates that the end of broadscale tree clearing has contributed to an annual reduction of 20 megatons in greenhouse gas emissions. Minister, with this in mind, what are the potential opportunities for Queensland landholders with respect to carbon trading and offsets?

**Mr WALLACE:** I thank the honourable member for Gaven for that question. I am glad you are interested in that, because I think all Queenslanders should be interested in our future and what impact climate change will have and how we can respond to climate change and do our bit, so to speak. Queensland is continuing to pursue opportunities for addressing the climate change challenge through a range of initiatives, as outlined in the government's ClimateSmart 2050 climate change strategy recently released by the Premier. The community is keen to respond to these challenges, and consequently a number of voluntary carbon offset opportunities have emerged where individuals and organisations can invest in tree planting activities.

A case in point would be the Queensland government's own involvement through Q-Fleet in offsetting its vehicle fleet emissions. Since 2002 Q-Fleet has funded the planting of approximately 470,000 trees. Some 290,000 trees are now in the ground, but protracted drought has delayed the planting of further trees until conditions improve. Indeed, the Queensland government is prepared to go further, committing to achieving an annual offset of 50 per cent of its vehicle fleet emissions by 2010, increasing to 100 per cent by 2020. However, there have been some concerns expressed about the ongoing protection and management of planted areas to ensure that the commitment to investors is delivered and greenhouse gas emissions offset.

Opportunities for carbon offsets will, to some extent, depend on the detail, design and implementation of a national emissions trading scheme. Rules for such a trading scheme are likely to be developed over the next four years and will need to consider alignment with international recognition of offset projects. Queensland landholders may be able to create carbon offsets by implementing abatement activities that are consistent with national rules. Meanwhile, the Queensland government is developing a carbon offsets policy to help industry position itself to take advantage of future carbon trading opportunities. To further assist certainty, I recently made changes to the Vegetation Management Act providing a simple mechanism for protecting under the law vegetation planted or secured for carbon offsetting purposes. This came into effect on 18 May 2007. A key benefit of this new voluntary declaration process is its potential to provide the strong protection of the VMA to areas being planted or managed to address carbon emissions. Areas not currently protected, including native regrowth, vegetation and areas planted as part of revegetation programs, can play an important role as carbon sinks. Through these amendments they can be protected to provide not only important carbon offsets but assist in climate change adaptation by reconnecting wildlife corridors and providing habitat for species movement.

**CHAIR:** Minister, I refer to page 21 of the MPS where it mentions the Eastern Kuku Yalanji Indigenous land use agreement, which is one of the most significant in this state. What is the significance of this agreement for Indigenous Queenslanders?

**Mr WALLACE:** I am glad you asked that question, Mr Chair, because I know that that agreement certainly is very close to your heart. The member for Gregory would also appreciate the significance of this agreement with his experience across the state. The Eastern Kuku Yalanji people lodged their native title claim over state controlled lands lying between Mossman and south of Cooktown in

December 1994. After some years of attempting to negotiate, it appeared as if the claim was heading in the direction of litigation. As an alternative, the claimants and the state proposed the use of an Indigenous land use agreement to resolve not only their native title claim but other tenure issues over a wide area of the Yalanji people's traditional country. In April 2007 about 300 people, including the Premier, attended a celebration to signify the signing of 15 Indigenous land use agreements at the small Aboriginal town of Wujal Wujal on the Bloomfield River in far-north Queensland.

Wujal Wujal is in the centre of the claim area which, as I mentioned, stretches from Mossman to Cooktown, which is one of the most environmentally significant areas in Queensland as it includes the Daintree, Cape Tribulation, Cedar Bay and Black Mountain national parks. The Indigenous land use agreements, which were signed and have commenced implementation, are the most significant and comprehensive agreements ever negotiated in Queensland. The negotiation of the agreements involve the eastern Kuku Yalanji people as native title claimants, the state of Queensland, three local government bodies, Telstra, Ergon and several holders of grazing interests. The successful completion of these agreements has delivered significant benefits for all parties and the community as a whole with the eastern Kuku Yalanji people taking direct ownership of approximately 64,000 hectares of Aboriginal Land Act freehold, 47 hectares of freehold land and significant roles in the management of existing and newly created conservation areas. The agreements also provided for 79,000 hectares of new national park as well as 48,000 hectares of new nature refuge areas.

As a result of these agreements, the national parks in the area will be managed by the Queensland Parks and Wildlife Service in tandem with traditional owners. Unlike agreements in place in other parts of the country which give the traditional owners a seat on the management board, these agreements mean eastern Kuku Yalanji people will be responsible for the day-to-day management and will be involved in the planning and operation of the parks.

**CHAIR:** It is now time for non-government questions. I call the member for Darling Downs.

**Mr HOPPER:** I will go back to where we left off, Minister, and I will try to make this question very simple. Does the department still own 5,507 hectares acquired for the raising of Borumba Dam, 1,516 hectares for Amamoor Creek Dam and 2,575 hectares for Glendower Dam? If so, why were they not listed?

**Mr WALLACE:** Thank you for the question on notice that you did place for this year's MPS. Land for the raising of Borumba was purchased, I am told, by my department in 1997 and 1998. That land and what will happen to it is part of the Traveston Dam plan, which the member should raise with the Deputy Premier as the minister responsible.

**Mr HOPPER:** Minister, I heard you mention the stock route fees and charges in your earlier answer to a government question. I was driving out between Bowenville and Kaimkillenbun only yesterday. I passed about 120 head of drought mustered cattle. There was a family on the side of the road. Minister, they were living in a horse float. They have the cattle away from their farm. I do not know what their kids were doing. They are paying the 83c per head for cows and they are paying a price for their calves—if there are any calves left—if they have not sold them off. Can you possibly drop those charges until the drought breaks?

**Mr WALLACE:** Like any member here today, I sympathise with those poor people. This drought is a terrible drought in Queensland and I think there would not be anyone in this room who does not sympathise with those poor people and anyone in this state who is suffering because of that drought. I extend my sincere best wishes to those people and all the people across Queensland who are suffering in this drought, the worst in our history.

As I answered in my earlier question, the primary reason for retaining the stock route network in Queensland is to facilitate the movement of stock around the state. It can also assist landholders during drought by allowing short-term grazing while longer term drought management strategies are being implemented. Stakeholder groups also strongly support the retention of the network of roads and other land for the traditional use of moving stock on hoof. They also see the retention of the network as a means of protecting the land's associated conservation, recreational, cultural, tourism and heritage value. This view is consistent with the recently released Queensland Stock Route Network Management Strategy 2006 to 2009. The purpose of the strategy is to provide the appropriate direction and enable coordinated management of the Queensland stock routes.

During this hard time, waiving or reducing stock route fees would provide some financial relief to landholders. However, there are real costs associated with managing the stock route network. Two of the guiding principles in the legislation governing the use of stock route networks are public use and payment for use—that is, all stock routes are roads and, as such, are public lands set aside for the use of the community. Also, someone deriving a benefit from the stock route network should expect to pay a reasonable amount for its use.

The fees paid by graziers are provided to local governments to assist them in meeting their obligations to maintain stock route infrastructure and to administer the use of stock routes for travel and agistment. As I mentioned previously, local government retains 50 per cent of the stock route fees

collected in their local government area with the balance of fees remitted to my department. The portion of fees collected by my department are invested directly back into the management of the stock route network through the provision of funding to local governments for water facility management, training and other management initiatives.

As councils must cover the costs of managing the stock route network in their local government area, waiving the fee or reducing the fee would shift the cost from network users to other ratepayers who did not receive any benefit from the network. I would like to note that stock route fees, which are set by regulation under the land protection act 2002, are well below commercial agistment rates. Many local governments have, indeed, sought to have current stock route fees increased to cover their management.

**Mr HOPPER:** Minister, page 23 of the MPS discusses the discontinuation of programs dealing with the control and prevention of pests because of the transfer of the land protection officers to Biosecurity Queensland. Minister, with regard to pest and weed management on state forest land, who from the department will carry out the role of pest and weed management on unallocated state forest leasehold land now that you have lost your pest and weed expertise to Biosecurity Queensland?

**Mr WALLACE:** The same people who carried out that task before. We have not transferred our land management to Biosecurity. Indeed, we take our responsibilities to manage state land very seriously. The other area which we also take seriously on state land is bushfire management. I continually through the media—and the media has been very good in this regard—give people warnings of where we are going to burn off on state land. I thank the media for continually putting out those notices to local areas. Indeed, in my neck of the woods we had a burn-off a couple of weeks ago in Thuringowa on state land. That was partly to help control weeds in that area but also to lower the bushfire risk. We undertake that right across our lands. Indeed, the state has allocated \$2.5 million in funding for bushfire management on unallocated state land under the control of the Department of Natural Resources and Water.

In developing this program, my department prepared regional bushfire and pest management plans which highlighted the need for additional staff and equipment. Since July 2005 my department has appointed and trained 28 staff and purchased firefighting vehicles and specialised equipment to further deliver this program. As part of this program, individual fire and pest management plans are being developed for all high fire risk parcels. These plans need to be highly flexible, given the circumstances of such a large and diverse portfolio, taking into consideration size, location, access, terrain et cetera. While the major thrust of this program is bushfire management, fire management activities often reduce the impact of pests, as the member for Darling Downs would know, and weeds leading to cost benefits with regard to fire management, fire pests and weeds on the land.

As at 30 June 2007, 1,552 fire management plans had been developed throughout the state. These plans set out how the properties are to be managed to minimise the risks to life and property. Over 1,327 of these plans have already been implemented as the seasonal conditions have allowed the use of such methods as clearing of fire trails, planned burns et cetera. With regard to the remaining 225 plans, my department will implement them as conditions allow. For instance, some properties might require burning in spring. Others may not have the expected fuel loads due to unseasonal conditions. So, therefore, they might now not be treated until next year. It should also be noted that some plans might be implemented as a joint treatment with other agencies or could not be carried out because it is too wet or too dry. The development and implementation of management plans and treatment of USL is an ongoing program for my department. All staff involved in these activities have received specialised training.

**Mr HOPPER:** Minister, page 28 of the MPS deals with drought assistance rebates on part A water charges, which is an administrated item of the department, so it does not fall into land or water issues. Minister, how many irrigators are eligible for rebates on part A water charges and how many irrigators with water licences are receiving 20 per cent or less of their announced allocation?

**Mr WALLACE:** The government's commitment to irrigators and the stresses that they are going through in this particular drought—and they are finding things very difficult at the moment—have not been highlighted enough by the media. It is an important response to people in need and we certainly were very happy to roll out this \$11.9 million program. In December 2006 the Queensland government announced assistance for rural water users during the drought. The purpose of the assistance is to provide rural water users with a rebate on the payment of their fixed water supply charges between 1 July 2006 and 30 June 2008 where there is low water availability. The total rebate expected to be paid to irrigators for the two-year period could be up to \$10 million. At the end of May 2007 over \$1 million had been paid in rebates to irrigators.

The Rural Water Use Efficiency program, which commenced in 1999, has assisted cane and horticultural growers in Queensland to achieve water use efficiency gains, irrigation system improvements, increased productivity and good environmental outcomes. So you can see, Mr Chair, that in terms of the part A rebate for irrigators and water users we have a substantial commitment on the table. We hope that irrigators take that up and we are certainly advised that they are taking it up. As at 4

May 2007 there have been 532 applications approved by QRAA with a total refund amount of just under \$889,000. As I mentioned earlier, the total amount of the rebate that may be paid over the 2006-07 and 2007-08 years should low water availability continue is up to the value of \$10 million. QRAA administers that, as the member for Darling Downs mentioned, but I am sure each and every one of you would join with me in praying and hoping that we can lift that assistance as soon as possible so we can get irrigators and water users back to their full entitlements. We certainly hope that that will occur shortly with some rain.

**Mr HOPPER:** The rebates on part A of the water charges were announced on 2 December 2006, yet farmers could not get assistance until the regulation was made on 22 March 2007. What was the reason for the delay of nearly four months in delivering this vital assistance to primary producers during one of the worst droughts in Queensland's history?

**Mr WALLACE:** As I said in my earlier response, the government is proud of its commitment to irrigators and water users in this, the worst drought in living memory. Fortunately, we have had some decent rainfall events across the north. We have irrigators back up to 100 per cent allocation in the Burdekin, the irrigators in the Bowen area are very close to 100 per cent and the tablelands area have had some good flows as well as a result of the wet season. However, our irrigators across most of the other areas of the state, bar the Pioneer Valley area, are doing it tough at the moment. That is why the government has introduced the rebate for the part A charge. As I mentioned earlier, there is over \$11 million for that particular scheme, which I think is testament to the government's commitment to farmers and people on the land who are doing it tough. I want to say that my department certainly expresses our sympathy and concern to those irrigators.

In rolling out that program, we had to negotiate the best process to meet the needs of irrigators, considering the differences in schemes right across the state. We negotiated with SunWater and QRAA on the easiest and best way of delivering that assistance to irrigators not paying an up-front payment but paying—Debbie, correct me if I am wrong here—when they receive their particular bills. We found, after negotiation with the irrigators, QRAA and SunWater, that that was the best way of us delivering that particular form of assistance. We are very happy with the program so far. I cannot recall any complaints coming across my desk. Debbie, would you like to add whether there have been any complaints from irrigators in that regard?

**Ms Best:** No, we have not had any complaints. The other thing which did take a bit of time to work out the logistics was in making sure that we could refund what irrigators had already paid in part A charges. So it was not about what was happening in the future; it was also about making sure, from when the government made the announcement, that we could factor in a rebate on what they had already paid.

**Mr HOPPER:** At page 20 of the MPS there is reference to the Land and Other Legislation Amendment Bill 2007. I refer to the debate on this bill. In your response to clause 220 you stated—

There could be financial assistance if it is a land of high conservation value.

What money has been made available in the budget for landowners gaining expertise? Are you willing to pay any financial assistance to land of high conservation value?

**Mr WALLACE:** Could you repeat the question?

**CHAIR:** It was a bit disjointed.

**Mr WALLACE:** Sorry, I did not mean to be rude.

**Mr HOPPER:** I will just repeat that again.

**Mr WALLACE:** Thank you.

**Mr HOPPER:** At Page 20 of the MPS there is reference to the Land and Other Legislation Amendment Bill 2007. I refer to the debate on this bill. In your response to clause 220 you stated—

There could be financial assistance if it is a land of high conservation value.

What money has been made available in the budget for landholders gaining expertise through consultants to help formulate a self-declaration that certain land is an area of high conservation or vulnerable?

**Mr WALLACE:** I thank the member for Darling Downs for the question. Indeed, the Land and Other Legislation Amendment Bill was a very, very significant piece of legislation. Thank you for working closely with me on that. There were bits and pieces that were a bit rocky, but I think it was a real win for people in regional Queensland. Certainly, we appreciated the support of AgForce and other groups in rolling out that particular bill. You might be interested to know that the \$12 million Vegetation Incentives Program was implemented by the Department of Natural Resources and Water to provide incentives to landholders to manage and protect high conservation value non-remnant vegetation as part of the \$150 million Vegetation Management Financial Assistance package.

Tenders were called across the state in 2005 and 2006 for participation in the program. The tender process was contracted to Greening Australia Queensland. As a result, 37 funding agreements to protect non-remnant vegetation have been accepted, protecting more than 22,000 hectares of Queensland.

The Vegetation Incentives Program was successful largely due a partnership with the EPA's nature refuge program based on landholder preference to enter into nature refuge agreements as opposed to covenants offered by NRW. As a result, the two programs have worked closely together from the outset to achieve the mutual aim of biodiversity protection and to support good land managers. Therefore, the amalgamation of the programs was a natural progression.

In developing the Blueprint for the Bush, AgForce sought a high-profile environmental partnerships program aimed at recognising and rewarding landholders who manage natural values above and beyond their duty of care. The resultant Environmental Partnerships Scheme delivered by the Environmental Protection Agency under a memorandum of understanding of funding support from NRW merged NRW's \$12 million Vegetation Incentives Program with the EPA's nature refuges, Nature Assist and Green Rewards Program. This new high-profile scheme now financially supports landholders who are wishing to protect their land in perpetuity.

The scheme includes the use of market based incentives, allowing competitive tendering or funding. This is a process that rewards good land management. EPA nature refuge officers work with landholders, regional natural resource management bodies and industry groups to provide practical assistance to landholders to design and establish sustainable production and conservation systems. An additional \$5.5 million was allocated to the combined existing programs under the Environmental Partnerships Scheme.

**Mr HOPPER:** Was there any money made available?

**Mr WALLACE:** Tenders were called across the state in 2005-06 for participation in the Vegetation Incentives Program—\$12 million. The tender process was contracted to Greening Australia. I am just going to read the same response because that answers the question. It is an ongoing program.

**Mr HOPPER:** The MPS on page 25 details grants and subsidies spent by the department through land and vegetation management. I refer to grants given to the Queensland Conservation Council to develop an integrated weed and vegetation management project. In answer to a question on notice in November 2006 you outlined that the Queensland Conservation Council received three payments totalling \$80,000 for the work. What was the total amount received by the Queensland Conservation Council for this project during 2006-07?

**Mr WALLACE:** In my department we are proud of the record that we have of working with groups outside the government. We work with AgForce, for instance, through our AgForward program. We work with groups such as QFF—the Queensland Farmers' Federation—and we also work with the Queensland Conservation Council as well.

**Mr HOPPER:** How much money? You are running out of time.

**CHAIR:** Order! You have asked your question. The minister will provide you with the answer.

**Mr WALLACE:** We are proud of that record in dealing with groups outside the government and we will continue to do that. The Queensland conservation—

**CHAIR:** You can finish answering that, if you want.

**Mr WALLACE:** An extension of time?

**Mr HOPPER:** I am happy for that.

**CHAIR:** You can answer the question.

**Mr WALLACE:** The vegetation management framework affects a wide variety of stakeholders in rural, urban and peri—which means near urban—areas of Queensland. The Queensland Conservation Council put forward a proposal to research, develop and deliver an integrated weed and vegetation management program in collaboration with key stakeholder groups to respond to concerns from their members and member organisations about the complexities of complying with both vegetation management and land protection requirements.

Although \$8 million has been provided to AgForce for best management practice programs as part of the vegetation management framework, there was a gap in available support information, particularly for semirural and peri-urban land managers facing similar challenges. Natural Resources and Water, therefore, provided a grant under contract of \$85,000 to conduct a series of meetings with stakeholder groups, including Weeds CRC, AgForce, the QFF and natural resource management bodies, to provide and develop integrated weed and vegetation management approaches. This work culminated in November 2006 in a pilot workshop at Conondale, using the draft training package. That attracted some 50 participants representing Landcare, SEQ catchments, AgForce, local governments and community weed and conservation groups.

**CHAIR:** It is now time for government questions. I call the member for Ashgrove.

**Ms JONES:** Page 19 of the MPS refers generally to the end of broadscale tree clearing in Queensland. This decision has led to a saving of 500,000 hectares per year in tree clearing and, importantly, also 20 megatonnes of greenhouse gas emissions which, as you pointed out before, enabled Australia to meet our Kyoto targets. Would the minister detail how other innovations, such as the recently announced Green Invest, will contribute to Australia's climate change challenge?

**Mr WALLACE:** I would be delighted to. Again, that was a very well-researched question. As outlined in the recently released ClimateSmart 2050 initiative, my department is currently developing a carbon offsets policy for Queensland so that we are in a position to take up carbon offset opportunities that may be available under a national emissions trading scheme, particularly in relation to biosequestration.

As also outlined in ClimateSmart 2050, the Queensland government has established an offset exchange facility called Green Invest as a mechanism to assist developers to find offsets for vegetation clearing. My department is leading the development of Green Invest to help build effective markets in environmental offsets. Environmental offsets provide a mechanism for certain developments to meet environmental legislative requirements. If clearing of vegetation is required for necessary development, managing and protecting vegetation on alternative sites may provide acceptable environmental outcomes.

Demand for offsets is growing as more infrastructure is developed to cater for Queensland's growing population and ever-expanding industry. Finding and securing suitable offsets has proven to be time consuming and difficult for developers. Building interest in the supply of offsets by landholders will be a key objective of the arrangements.

The Green Invest model has been developed in close collaboration with the EPA. My colleague the honourable minister for the environment is leading the development of a whole-of-government policy framework for the use of environmental offsets. This framework currently does not encompass carbon. As I have noted already, the government is developing a carbon offsets policy in the context of any national emissions trading environment. As a member of the National Emissions Trading Taskforce, Queensland is participating in the state and territory led process to help design a national emissions trading scheme. My department leads Queensland's participation in the offsets working group convened and the task force to develop an offsets regime at the national level.

The initial focus of Green Invest, however, will be to facilitate the provision of vegetation offsets to satisfy the requirements of the Vegetation Management Act 1999 and other legislation. However, the facility's design could also support future offset policies, such as for water quality and carbon sequestration where these policies become more firmly established and the framework for offsets trading is clear. We will be examining how Green Invest might facilitate future carbon offsetting arrangements. Consultation with agricultural, forestry and secondary industrial markets will occur over the next six months to examine how this initiative may help a future carbon market.

**Ms JONES:** I have another question in the same vein. Page 6 the MPS refers to the government's vegetation management framework. It is now established that Queensland leads the way in the nation's contribution to adapt to the climate change challenge by the implementation of the Vegetation Management Act and, in particular, the end to broadscale tree clearing, to which you have just referred. The Beattie government has made a significant financial contribution in this area. With this in mind, could the minister outline the Commonwealth government's contribution to vegetation management in Queensland?

**Mr WALLACE:** I would be delighted to. As I have noted previously, on 31 December 2006 broadscale clearing of native vegetation ended in Queensland, delivering on the government's 2004 election commitment—something which our side of the House can all be proud. This fact alone demonstrates that Queensland is leading the nation on addressing the important issue of climate change.

The cessation of broadscale land clearing represents the biggest single contribution to the reduction of greenhouse gas emissions of up to 20 million tonnes per annum in Australia. It has also helped to conserve many millions of hectares of remnant vegetation, preventing land degradation and salinity, which are key threats to primary production, and to protect Queensland's unique biodiversity, which is a foundation for our tourism industry and the future wellbeing of our state.

In recognising that there would be impacts on landholders, the Queensland governmental allocated significant funding towards ending broadscale clearing in Queensland—committing a total of \$170 million to a high-profile financial adjustment package, including enterprise assistance, exit assistance, incentives to manage vegetation and support for best management practice initiatives.

Recently, the federal Treasurer, Peter Costello, admitted on ABC television that there was a national benefit in meeting Kyoto targets from the actions that Queensland took to stop broadscale land clearing. Interestingly, at the time the state passed legislation to end broadscale land clearing the Howard government chose not to support the action and refused to contribute any money to the

adjustment package despite Queensland, in good faith, seeking shared costs with the federal government in recognition of the national benefit of Queensland's action. So Queensland implemented the new legislation and financial adjustment measures alone.

The Howard government now appears to be claiming the benefits from those same measures when that same government had little interest in supporting them at the time. It is interesting in the least, if not ironic, that the same Commonwealth government earlier this year chose to invest \$200 million in planting trees in some South-East Asian countries as a greenhouse gas emissions offsetting measure. This lack of support only a short time ago demonstrates clearly that Mr Howard is in denial about climate change. They are in denial, they will not support Queensland landholders and they will not support Queensland taxpayers. The Queensland government is proud of its achievements in bringing broadscale land clearing to an end and would welcome support by a future Rudd Labor government.

**Mr GRAY:** Minister, I turn your attention to the land titles system we have in Queensland, which we are all very proud of, and we have every reason to be proud of it. I refer to page 21 of the MPS, which provides information on the continued good work of your land registry service meeting the high levels of demand which are the result of a booming state property market and Queensland's strong economy. Minister, I understand that your department's expertise in this area is recognised on an international level. Could you please update the committee on your department's work in this area, with particular reference to your department's business relations with China?

**Mr WALLACE:** I thank the member for Gaven. I would have hoped the member for Capalaba asked that one, but that is fine; we speak about that quite regularly. Queensland's titles law and its titles registration system and practices are amongst the most advanced in the world. They not only provide high-level protection and certainty in land transactions but also ensure highly efficient processing of documents and access to information. As a result, many countries now send their land administration officials to Queensland to see how our system operates. China is one of these.

In 2004 my department signed a five-year, fee-for-service training agreement with the People's Republic of China's Ministry of Land and Resources. The program, which is delivered in Brisbane and regional Queensland, is focused on titles registration, land information systems and administration. The early success of the training program encouraged the ministry to seek broader engagement with the department, and in July 2005 a memorandum of understanding between the two agencies was signed. The MOU provides for exchange of technical information on the use, protection and administration of land and water resources, it encourages collaboration in relevant technical fields and it provides fee-for-service contracts.

To date, more than 125 senior government officials from throughout China have come to Queensland for training. Another 25 senior officers will arrive at the end of July. The training includes modules that can be delivered by professionals from the tertiary education sector, such as QUT's Law School, Queensland firms in legal services, management consulting and ITC consulting and the spatial information industries. This enables these organisations to gain exposure to and establish contact with the visiting Chinese officers and build business relationships for the future.

Other opportunities are also being opened up with a three-year training contract entered into with the central Chinese city of Wuhan for its Land Administration Bureau officers to come here for training. In the Pearl River Delta region of southern China, opportunities for land administration training are being explored under the memorandum of understanding on promoting friendly exchanges between Queensland and Guangdong Province. The training relationship with Guangdong is a government priority.

The close relationship between us and China will facilitate the exchange of ideas and knowledge, provide greater opportunities for investment in Queensland, promote the sale of education and other services to China and boost tourism and trade. In the time remaining to me, can I say how much I welcome this program. We have a great future if we do engage with China, and my department is taking that step in giant strides.

**Mr CHOI:** Minister, I refer to page 6 of the MPS where it mentions valuation services provided by the department. This year your department provided new services to the public to help them understand the valuations process. How has the web site and the call centre improved the administration of the annual valuations process?

**Mr WALLACE:** I thank the member for Capalaba for the question. On 26 February this year my department issued approximately 950,000 new land valuations in 38 local government areas right across Queensland. As part of this process, my department introduced a number of initiatives to help the public better understand the valuations process. In addition to every landholder receiving a valuation notice and an information brochure, my department set up a new web site to help people gain a better understanding of residential property movements. The site provided an opportunity for landholders in major urban centres such as Brisbane and Townsville to compare their valuation with land sales in the same locality. A representative sample of property sales was listed for comparative purposes in major urban areas. The web site also provided information on the range of new values for particular localities, the average percentage movement in property values and the median of the new values.

The site proved very popular, with over 30,000 hits in its first 24 hours. Valuations are of interest to a large number of landholders annually, and I am advised the media was interested in the ready retrieval of information and found the department's web site to be a useful source of information. In addition to the web site, a statewide call centre operated from 8 am to 6 pm weekdays with a free 1300 number. The call centre was operated locally by Smart Service Queensland and handled inquiries from landowners wanting to find out more about their valuation and how it was arrived at.

The operation of the call centre proved to be a very effective way of providing information and handling a high volume of calls in a short time in a very professional manner. The call centre provided a consistent and professional response to public inquiries about valuations. The average length of each call this year was between three and five minutes. If an inquiry could not be answered by a call centre operator, they were transferred to the relevant officer within the department. Key performance indicators were adopted by the call centre and the department to ensure that the service provided was effective and timely.

Other initiatives undertaken by my department for the valuations included general web information, the display of the valuation roll at various NRW offices and, in some regional areas, valuation maps showing property names and new valuations. When you consider that we sent out 950,000 new valuations, I think the responses from the general public and from my department answering their inquiries were certainly active and very proactive. I want to thank the department for taking that action.

**Mr CHOI:** Minister, my next question to you relates to climate change, as your department is the lead agency for the government in addressing climate change. Page 6 of your MPS also refers to the vegetation management framework. I am particularly interested in the benefits of utilising declarations under the Vegetation Management Act to achieve benefits to climate change issues.

**Mr WALLACE:** I thank the member for Capalaba. I think everyone here would agree that over the last year certainly the global focus and Australia's focus on climate change has certainly shifted. Even our own Prime Minister now acknowledges and recognises that climate change is taking place after many, many years of denial.

The Queensland government can be congratulated for taking early action in this regard and delivering on the Vegetation Management Act 1999. An important purpose of that act was to reduce greenhouse gas emissions. Indeed, the implementation of the 2004 amendments that ended broadscale clearing in Queensland has provided a reduction, as I said previously, in emissions of up to 20 million tonnes. It is Australia's single biggest contribution to climate change abatement to date. As I noted earlier, the Commonwealth government—in particular the Treasurer, Mr Costello—has taken credit for Australia meeting the Kyoto targets as a result of the Vegetation Management Act. Clearly, the Queensland government has led the way on this matter.

The vegetation protected from clearing by the VMA of course will continue to play its natural role in sequestering carbon for many generations to come. Now recent amendments to the VMA can be used to contribute to other greenhouse gas abatement activities by providing a simplified mechanism for landholders to legally secure areas of vegetation for a variety of purposes, including carbon offsetting.

Areas not currently protected—including native regrowth vegetation and areas planted as part of revegetation programs—can play a vital role as important carbon sinks. Through the new voluntary declaration processes, these areas can be protected to provide not only important carbon offsets but assist in climate change adaptation by providing habitat and reconnecting wildlife corridors for species movements.

Voluntary declarations can support a framework for corporate and community responsibility, with a readily accessible tool for protecting vegetation secured through the many emerging carbon offsetting programs. For example, businesses that are looking to reduce their carbon footprint can participate in some of the emerging voluntary offsetting schemes by sponsoring the planting of vegetation. I have already mentioned the work that Q-Fleet is undertaking.

I noticed on the way to the airport the other day that Virgin Blue has a sign saying that you can offset your travel, and I found that interesting. You can buy a tree and get a plane ticket at the same time. It is a developing industry and it is something that we in government are very keen to foster. Through the voluntary declaration processes, these organisations can have certainty that the areas they have supported will have full protection from clearing in the future.

**CHAIR:** I refer you to page 21 of the MPS where it mentions the Queensland government's involvement in Indigenous land use agreements. Queensland has had a great deal of success in this regard. Can you please outline how Queensland has led the country in registration of Indigenous land use agreements and providing Indigenous people with tangible connections to their lands through the administration of the Aboriginal Land Act?

**Mr WALLACE:** I thank the member for Cook, and it is again a very fitting question. I, like you, attend handover of Aboriginal land ceremonies and I would ask the member for Gregory to come with me on a future handover. It is a very emotional moment, not only for the traditional owners but for me as minister to have the joy of handing the land back to the traditional owners of the land.

My department's performance on native title issues is impressive. Queensland leads the nation in developing and implementing native title processes for future development to benefit Indigenous parties, industry and the state. Queensland's policy of negotiating outcomes has meant that there are more Indigenous land use agreements in Queensland than all the other states. Over 50 per cent of all Indigenous land use agreements in Australia are in Queensland. There are currently 279 registered Indigenous land use agreements and, of those, 144 are in Queensland—a great testament to Queensland and a great testament to my wonderful officers.

In March the state entered into another 15 Indigenous land use agreements with the Eastern Kuku Yalanji people, as we outlined earlier. These agreements were celebrated in April with the Premier in attendance and are expected to be registered by December this year. Indigenous land use agreements are a key tool in relation to future development of our state. The agreements provide benefits to all parties involved as well as protect Indigenous cultural heritage.

Further, of the 55 consent determinations that native title exists in Australia, 35 are in Queensland—representing more than 65 per cent of the total. These determinations were facilitated in part by a number of the ILUAs that have been registered with the Native Title Tribunal. This year, Queensland and native title parties reached agreement on the resolution of six native title claims, one of which proceeded to a consent determination of native title by the Federal Court. Overall, approximately 26 claims throughout Queensland were substantially progressed.

I would also like to highlight that Queensland has established 57 land trusts since the start of the Aboriginal Land Act 1991. These land grants to the land trusts constitute 1.34 million hectares of land that has been handed over as inalienable freehold to Aboriginal grantees. Could I have an extension to this question?

**CHAIR:** You can finish your answer and then we will break.

**Mr WALLACE:** In January this year I handed over 137.2 hectares to the Darumbal people at Mount Wheeler near Rockhampton. A ceremony was held on country where I presented the Darumbal people with a deed of grant to land to be known as Gawula. In April I also attended a ceremony on Great Keppel Island where five parcels of unallocated land totalling 170 hectares were handed over to Aboriginal grantees, the Woppaburra people. The success of the department in achieving these handovers of land illustrates the way in which the government is providing Indigenous people with tangible connections to the land.

**CHAIR:** Thank you. The committee will suspend for a short break and then continue with estimates for the Department of Natural Resources and Water on water and catchment services.

**Proceedings suspended from 5.44 pm to 5.59 pm**

**CHAIR:** The Estimates Committee C hearing is now resumed. The question before the committee is—

That the proposed expenditure be agreed to.

I call the member for Darling Downs.

**Mr HOPPER:** Minister, I refer to page 9 of the MPS and dot point 2 under Review of Output Performance, Recent Achievements in the output of water and catchment services. According to a joint release issued by the Premier and Deputy Premier and Treasurer on 31 May 2007 the budget injects \$80 million more into the WaterWise schemes. There have been 54,326 rebates for rainwater tanks. Minister, who owns the water in the tanks and will you rule out taxing water from tanks?

**Mr WALLACE:** I like that, member for Darling Downs, because that one has been rattling around for a while from—I will be very generous—some people who have some different ways of thinking. But the homeowners own that water. It is their water and they can use it as they see fit. Deputy Director-General, do you want to add to that particular interesting question?

**Ms Best:** The Water Act is very specific about the state owning surface water or groundwater. It does not include water that falls on a roof and would go to a tank. We would see at this point in time that it is probably not specified in the Water Act that the householder owns the water in the tank, but at this point in time there is no consideration about taxing the water in the tank. I know from the figures how successful the rebate scheme has been and the government sees it as a significant strategy in terms of changing attitude around water use.

**Mr WALLACE:** Yes, it has been a very successful scheme. Many hundreds of thousands of litres of water have been saved through our generous rebates for tanks. I want to congratulate the people not only of south-east Queensland but right across the state who have taken advantage of this particular scheme. Capturing that water is a wonderful way of people doing their bit in this drought, which as we know is the worst drought in history. Congratulations to everyone who have bought tanks. You are safe with your water despite what some—I will not be so generous—of the crazies in the community think. The government is not going to take that water off you and use it for something else. That is your water, but I would say to you: please use that water wisely. I know that people who have put in tanks certainly do that.

I grew up with tank water as a kid in Home Hill. I think it is better than a lot of the water you get out of a tap. I should not say that too loudly with the water regulators here. But I grew up with tank water and I do not think it did me any harm. Indeed, I did not taste town water until I was 10 years old and I did not like the taste of it then. Tank water makes an excellent cup of tea or coffee. Congratulations to the people of Queensland who have adopted tanks with open arms. It is a great asset to our community and something which my department is very proud to be involved in, with our \$1,000 rebate for tanks right across Queensland. The rebate is not only for the south-east corner of Queensland but also for people in my neck of the woods, in the member for Cook's neck of the woods and in those electorates of the members for Darling Downs and Gregory. Right across the state people are taking advantage of the tank rebate. It is a great asset for our community and a great resource.

**CHAIR:** Can you please provide that answer to that fellow who keeps emailing every member of parliament? Can you undertake to do that on everyone's behalf, Ray?

**Mr HOPPER:** Minister, will you rule out taxing water tanks in the future?

**Mr WALLACE:** We are providing a rebate for people who get water tanks. It is a great initiative of the government, as I said earlier. People right across Queensland are taking up the advantage of tanks. Have tanks got a GST on them?

**Mr Spencer:** Probably.

**Mr WALLACE:** Oh well, Peter Costello taxes them. We are in the process of giving them a rebate. Indeed, I note that Kevin Rudd has a policy to give a rebate for them as well. That will increase the take-up of tanks not only in Queensland but right across the country.

I had a meeting a couple of weeks ago with the CEO of Bunnings. He pointed out the success of this scheme in Queensland compared to other states where they do not have as generous rebates. Some 73,121 water tanks have been approved under the Home WaterWise Rebate Scheme—73,121 tanks. That is a great number. Some 73,000 households in this state have taken advantage of this scheme to get a new rainwater tank. It is mind boggling to think of that number of tanks out there, the water that they will hold and the gift of water that they will provide for future generations of Queenslanders.

I say congratulations to the 73,000 Queenslanders—not only those in the south-east corner—who have bought tanks. You are all playing your part in recognising that water is a vital asset. I do not think we valued the commodity of water previously. Again, I return to when I was a kid. We always thought there was plenty of water around. There was no demand management or worrying about how long you were in the shower. Today we really do value water much more. We have to do that in Australia because we are on the driest continent on earth.

To those 73,000 people who have taken advantage of the rebate of \$1,000, I congratulate them. My department is certainly working very hard to get rebates out on time. It has been an enormously successful scheme. I should point out to the committee that the number of people applying is actually going up. People are worrying about what Brisbane City Council has done with its rebate scheme, but I can say that we are in it for the long haul for Queenslanders. I look forward to reading out updated figures some time in the future. I think Queenslanders will keep buying tanks and will use that water wisely around the home to help take some of the pressure off our town water supplies. Congratulations to everyone involved.

**Mr HOPPER:** Minister, I have asked you twice now and I will ask you a third time: will you give a commitment to this committee today that you will not tax water in water tanks—yes or no?

**Mr WALLACE:** I do not tax water in water tanks.

**Mr HOPPER:** Will you not tax it in the future?

**CHAIR:** Order! You have asked your question. As you have said, you have asked it a third time so it is probably out of order, but I will allow you to ask it for the third time and I will allow the minister to answer.

**Mr WALLACE:** Thank you, Mr Chair. I do not tax water. Taxation is a matter for the Treasurer, as we know, in Queensland. Why would we tax things for which we are giving a rebate? Unlike the federal government with its GST on these particular items, we believe in giving the people of Queensland a fair go, and 73,121 rainwater tanks have been approved. What a great investment in this state of Queensland.

My departmental officers have set this up from the beginning. Last year the scheme did not exist, and so we had to start from scratch. Indeed in the first week we approved a thousand dollars in rebates—one rainwater tank. Now we are up to multimillion-dollar approvals every week. Every week we approve rebates worth multimillion dollars for the people of south-east Queensland and Queensland generally. Indeed, last night I am told we passed—and the member for Capalaba will appreciate the relevance of this figure—\$88 million, a very lucky number. It shows just how hard our workers have been in there getting the rebates out. They have been working weekends and working overtime. I had a sausage sizzle with them last week just to say thank you for the hard work they are undertaking. They

have a real purpose and a real spirit in that rebate. They are delivering. They know that they are playing their role in our state and the people of Queensland are responding to this drought—the worst drought in our history.

Some 73,000 tanks is a great record. It will be an asset for future generations. I know that the tank I drank from when I was a kid had been there for 50 years. I do not know if it gets such use these days but tanks really will be—

**Mr Johnson** interjected.

**Mr WALLACE:** Yes, it was good water, Vaughan. Tank water made very good home-brew, too, but I should not let out the secrets in terms of good home-brew.

Other items which we have approved and which are very popular are washing machines. Close to 50,000 new washing machines have been approved in Queensland homes. I do the washing at home and I would not mind a washing machine. I will have to talk to my wife to see whether we can get a new one, but those brilliant new washing machines in the home attract a rebate of \$200 from the Queensland government. I imagine that they have a GST on them as well. It is a pity that the federal government does not play a role and perhaps give some assistance to people getting those rebates. Kevin Rudd said that he will give some assistance to people buying tanks and we will be in there for the long haul helping the people of Queensland.

**Mr HOPPER:** Minister, I refer to page 9 of the MPS and to waiting times for rebates under the Home WaterWise Rebate Scheme. I note that you have very little data on where rebates are being received from and how long people are waiting for rebates. In fact, you say that as at 30 June 2007 the average processing time for these applications is around 52 days. I refer to an article in the *Warwick Daily News* of 9 July 2007—and I have a copy of it here—titled 'Tank owner gets steamed up over State rebate delay'. The story is about Allen Casson, who waited for more than 120 days to get his rebate. Mr Casson was told that there were no mistakes in his application. He was assured that it had been received. Minister, why is it that within an hour of the *Warwick Daily News* phoning your office Mr Casson, having waited 120 days, received a phone call from the WaterWise office saying he would get his rebate the following week?

**Mr WALLACE:** My office takes all calls to it very seriously, be it from the public, be it from members of the opposition, be it from members of the government. We take all calls to my office very seriously and we work very hard to solve people's problems out there. I should point out to the committee that we have processed over 144,200 applications since the Home WaterWise Rebate Scheme commenced. Application times vary considerably due to the fact that the scheme started from scratch, as I said, less than 12 months ago.

In the week ending 6 July 2007 the scheme paid out in excess of \$6.1 million—a long way, as I pointed out earlier, from the first week when only \$1,030 was paid. Most of the delays experienced by applicants had been due to the fact that at various times up to 40 per cent of the applications were incorrect or incomplete. This led staff to having to contact the applicants to try to address the shortcomings over the telephone or by facsimile. This was adding considerable time to the processing and this practice has now been stopped. Incorrect or incomplete applications are now identified and are returned immediately through the gateway process with instructions to applicants on what is required to complete their application.

This has been a very successful exercise and processing times have fallen for applications entered and processed in the last three months. As at 6 July 2007 the average processing time for these applications was around 50.1 days. However, demand for water rebates has not declined and the trend is continuing upward. Prior to level 5 restrictions being introduced, the scheme was regularly receiving between 5,000 and 6,000 applications per week.

Since the introduction of level 5 water restrictions, that rate has increased to more than 9,000 applications per week. As I noted, since the Brisbane City Council changed some of its requirements and needs, those applications have been literally flooding into the office.

The Home WaterWise Rebate Scheme is constantly examining business improvement strategies to increase efficiencies in processing times. As I noted earlier, in April the scheme established a gateway process whereby incomplete or incorrect applications were returned to the applicant with instructions on what was required.

**Mr HOPPER:** Minister, I refer to page 10 of the MPS and fully tradeable water allocations. A constituent of mine wants to transfer her water entitlement to another property because she wants to sell her property and retain her allocation. She approached DNR in August 2005. It told her that it would be legislated soon. In February 2007 she was told that it would take six weeks. She phoned last month and was told that it would not be long. My office personally phoned your office yesterday and we still do not know. Minister, what are you doing about this? When will you get this trading arrangement sorted out so that businesses can perform a simple procedure of transferring their licences from one property to another?

**Mr WALLACE:** It is a very intricate question and asks about an individual. I will ask my director-general, Scott Spencer, if he can provide some information on that one.

**Mr Spencer:** Can I seek some clarification? This is a groundwater application?

**Mr HOPPER:** Yes.

**Mr Spencer:** I think I am aware of the application. We have spoken to the person.

**Mr HOPPER:** No, it is a bore.

**Mr Spencer:** A GAB bore?

**Mr HOPPER:** With a megalitre licence. She wants to transfer it to the farm next door.

**Mr Spencer:** It is not tradeable but we do allow relocation.

**Mr HOPPER:** That is right, under that legislation.

**Mr Spencer:** The Great Artesian Basin Water Resource Plan has been completed and the Great Artesian Basin ROP has now been completed so we can move into this relocation process. While we are still completing the forms we are prepared to talk to people about their applications on an individual basis if they want to do it and we will process it without the actual formal application form. So we can do our assessment. Because what we have to do when we undertake those groundwater assessments is make sure there is no impact to their neighbours or other users and so forth, particularly groundwater where it is a little more difficult.

I am aware of the particular case that you are talking about. Our regional people have actually spoken to your constituent and indicated our willingness to do that. We are very happy to do that.

**Mr WALLACE:** If I can I will outline the background to the query for the committee's information. On 5 July 2007 a member of staff in the electorate office of Darling Downs emailed my ministerial office regarding a general question about the government's legislation on water licence trading. A member of my staff contacted the member for Darling Downs' office by phone at 9.22 on Monday, 9 July 2007 to advise the information available on the web site about water trading and registration. The member for Darling Downs' office again contacted my staff on Wednesday, 11 July—yesterday—advising that they had a constituent in need of urgent advice on water trading and requested urgent attention be given to the constituent's concerns. I congratulate you on taking that action. The phone call was received in my office at 11.18 am.

At 11.23 am my office contacted the south-west region of my department and asked if a senior officer could be in touch with the member for Darling Downs' constituent as soon as possible with a view to assisting them with their concerns. At 11.43 am my staff left a message in the member for Darling Downs' office asking the officer to call back to discuss the action taken. After several attempts to contact the member's office my staff finally contacted the member's office at 12.24 pm and advised of the action taken. At 3.11 pm on 11 July the department advised my office that it had been in direct contact with the constituent to advise how best to resolve the issue. That was basically the query that related to that matter.

**Mr HOPPER:** Thank you very much for that, Minister.

**Mr WALLACE:** I congratulate your office on the professional manner in which they handled your constituent's query.

**Mr HOPPER:** I refer to page 13 of the MPS. It deals with the department developing regional water supply strategies outside south-east Queensland, as well as investigating other major new water projects. I also refer to your question on notice No. 10 and point out to you that of the towns smaller than 1,000 persons—towns like Willows and Cumbria and the two towns of Warra and Brigalow, one in my electorate and one just out—have been carting water for their drinking supply. What is your department doing to help these small communities secure any water supply and when are you going to start taking action on regional water supplies rather than just doing more studies?

**Mr WALLACE:** We take action right across the state when it comes to securing water supplies. A lot of small communities are suffering stress right across the state. The Minister for Local Government, Planning and Sport provides a very generous payment to those smaller communities who are in stress. What is the payment, Scott, do you know?

**Mr Spencer:** Not off the top of my head, Minister, no. Under the Small Communities Assistance Program the minister for local government does support the carting of water to the sorts of towns that you have talked about. We believe it is a 50 per cent subsidy. Very often that is the best way to deal with it in terms of an immediate response because you cannot get the infrastructure in there fast enough. As you said, Mr Hopper, the regional water supply strategies are designed to deal with those things, as we have in central Queensland where we are trying to deal with local government.

**Mr WALLACE:** We are working right across the state to get water to smaller communities.

**Mr JOHNSON:** Make sure you look after Willows, won't you?

**Mr WALLACE:** We will always look after the member for Gregory. I should point out a project that SunWater is undertaking in north Queensland to get water to Moranbah not only for coalmining but also to that very growing and burgeoning community who are in need of water supplies as well.

**Mr Spencer:** Sorry, it is a 75 per cent subsidy.

**Mr WALLACE:** It is a 75 per cent subsidy, if I can correct the record, from the department of local government to those small communities.

**CHAIR:** It is now time for government questions. I refer to page 13 of the MPS regarding the finalisation of the Far North Queensland Regional Water Supply Strategy. I ask is there an overall benefit received by Queenslanders from the implementation of strategies such as those for far-north Queensland, central Queensland, north Queensland, Mackay, Whitsunday and Wide Bay?

**Mr WALLACE:** Thank you, Mr Chair. You will especially be interested in that far-north Queensland strategy, which will help map out water supply into far-north Queensland for the next 50 years—a very important strategy. The state government is developing the most comprehensive water plans ever developed for various regions throughout Queensland. We are committed to working in partnership with local governments, water service providers, industry and community groups in the development of regional water supply strategies in key areas of Queensland. Outside of the south-east Queensland region, this regional strategy development work is led by the Department of Natural Resources and Water. These strategies aim to deliver on the Queensland government's commitment to ensure short and long-term water supply security by examining water requirements and solutions to the current drought and for the next 50 years.

The strategies assess the projected water demands, availability of water reserves and the options for meeting the water needs of urban, industry and rural sectors. They identify nodes of future development and potential sites for new water supply sources or delivery infrastructure to meet demand. Strategies are being developed for the various priority regions throughout Queensland. For example, the Central Queensland Regional Water Supply Strategy was released in December 2006. This is the most comprehensive water plan ever developed for that region. The strategy examines the region's water needs to 2020 and beyond and includes \$1.3 billion in new water infrastructure over the next 10 years. It also includes the trading of water entitlements, more efficient water use and additional water infrastructure. It is the most comprehensive water vision ever produced for central Queensland and will help ensure that central Queensland has the water it needs to meet the current demands and future growth.

Draft regional water supply strategies are being released for public submissions before being finalised. Public submissions on the draft Far North Queensland Regional Water Supply Strategy will be invited in the coming months. I look forward to your comments, member for Cook, when I release that strategy. I know that some of your constituents, the member for Barron River, the member for Cairns and the member for Mulgrave are also extremely interested in that draft plan for far-north Queensland. The rates of growth in north and far-north Queensland certainly dictate that we need to plan for future urban growth to have that water supply available. I thank you for your support and I know you will be looking towards the release of that draft report.

**CHAIR:** Definitely. Member for Capalaba?

**Mr CHOI:** Minister, I refer to page 4 of the MPS and the issue of delivering water security to Queensland. Funding of \$9.7 million is provided for the 2007-08 financial year aimed at completing and implementing the water planning program and developing regional water supply strategies along with improved groundwater management and further water reform. What impact will the Commonwealth's National Plan for Water Security have on your department's planning and implementation processes both within and outside the Murray-Darling Basin?

**Mr WALLACE:** That is a very good question from the member for Capalaba. The National Plan for Water Security is certainly something that I and my colleagues from interstate have treated very seriously. Indeed, I was in Sydney last week and met with the federal water minister, Malcolm Turnbull, and my colleague, Karlene Maywald, the minister from South Australia for water—a National Party minister, I should note, but in a Labor cabinet and a very able minister at that. She is certainly doing very well representing her area. I also met with Phil Koperberg, the water minister from New South Wales. We enjoyed some very cordial and frank discussions about the National Plan for Water Security. I am aware of the discussions last night where the Victorian Premier forwarded suggestions to Mr Turnbull on changes to the Commonwealth bill. We have not seen those changes yet. We will be very interested to see what the Victorians put forward as changes to the Commonwealth legislation.

We are certainly very, very keen to protect the entitlements of Queensland water users. That has been our overarching goal in this exercise. Whilst we recognise that there needs to be a national approach to the Murray-Darling Basin, we are in there protecting the rights of Queensland irrigators. I joined with AgForce in saying to the Commonwealth government that they should not meter stock and domestic bores, as they had originally suggested in their legislation, and I am pleased to say that Mr Turnbull has agreed with our position and the position of AgForce and agreed to put that in the Commonwealth legislation.

My department has been working very, very closely with the Commonwealth and the other states on this legislation. It has cost time to do that. I cannot recall the number of flights that my director-general and my deputy director-general have had to take to Canberra or Sydney or wherever to discuss this with the other states. We are very good at our water planning in Queensland. That has been recognised. About 25 per cent of that basin is in Queensland but we take less than five per cent of the water. So we are very, very good with our water entitlements. We treat our water wisely. I hope that this plan does get off the ground. My department will be there working wherever it is needed to ensure that we play our role. I hope that it is a success for the health of that system and we will continue to be in there working feverishly away.

**CHAIR:** Member for Ashgrove?

**Ms JONES:** I refer the minister to page 13 of the MPS and to the department's continuing development of regional water supply strategies. I know the minister is a keen advocate of raising Queensland's largest dam, the Burdekin Falls Dam. Can you outline the proposal to raise this dam and the benefits gained from doing this?

**Mr WALLACE:** I thank the honourable member for the question. I am a Home Hill boy, born and bred in Home Hill in north Queensland. I lived beside the Burdekin River most of my life. I have caught a few barramundi in there as well, member for Gregory—once when I wagged school, but hopefully you will not tell my mum about that. The Burdekin Dam is a wonderful asset to the people of north Queensland. It was funded by the Hawke Labor government in the eighties. That really was a wonderful piece of nation building by the Hawke Labor government. Unfortunately, the current government has not been so generous in its funding.

The Queensland government is committed to working in partnership with local governments, water service providers, industry and community groups in the development of regional water supply strategies in key areas of Queensland. Led by my department, the Department of Natural Resources and Water, these strategies aim to deliver on the Queensland government's commitment to ensure short and long-term water supply security by examining water requirements and solutions to the current drought and for the next 50 years.

The strategies will assess the projected water demands, availability of water reserves and the options for meeting the water needs of urban industry and rural sectors. Recently, work commenced on the regional water supply strategy for north Queensland which includes Thuringowa, Townsville and the Burdekin River catchment. Provision has been made in the draft Burdekin Water Resource Plan for the establishment of a strategic reserve of up to some 150,000 megalitres per annum. This strategic reserve would require a two-metre raising of the Burdekin Falls Dam. The draft Burdekin Water Resource Plan is expected to be finalised soon.

A raising of the Burdekin Falls Dam is likely to be an important additional water supply in north Queensland as part of the North Queensland Regional Water Supply Strategy which will be developed to meet the long-term future growth and water security requirements of our growing region. I am a very strong supporter of this project. Indeed, I spoke about it in my maiden speech to parliament when I first became a member.

A proposed raising of the Burdekin Falls Dam will require the establishment of the economic viability and environmental sustainability of the project. This would require detailed consideration under an environmental impact statement covering environmental, social and cultural matters. SunWater has been asked to prepare a business case for the proposed raising which will examine a range of opportunities, including hydropower generation, as well as additional water supplies both within the lower Burdekin and adjoining areas. Again, I note for the committee's information that construction of the Burdekin Dam was funded by the Hawke Labor government. Isn't it great to see a federal government involved in that process? We hope that a future Rudd Labor government will follow suit.

**Ms JONES:** We are moving down the coast. We are still in central Queensland. I worked for the member for Rockhampton so I guess I cannot let go of central Queensland. On page 1 of the MPS under the departmental overview reference is made to the Central Queensland Regional Water Supply Strategy. As this strategy includes major infrastructure proposals, I ask what role the Eden Bann and the Rockwood weirs will play in providing water security to communities in the Fitzroy basin?

**Mr WALLACE:** Anyone with an attachment to Rockhampton always wants to go back.

**Ms JONES:** I am very happy at Ashgrove believe me.

**Mr WALLACE:** Thank you for the question. The Central Queensland Regional Water Supply Strategy was released in December 2006. The strategy identified a mix of options for meeting future water demands in central Queensland, including trading water entitlements, improved water use efficiency and additional water infrastructure.

The raising of the existing Eden Bann Weir and the building of a new weir at Rockwood are two of the significant infrastructure options identified in that strategy. These options aim to meet the projected short- to medium-term needs of Rockhampton, Gladstone and the Capricorn Coast. I am also pleased to advise that the Eden Bann Weir raising and the Rockwood Weir are an integral part of the statewide water grid announced by the government in August 2006.

Following the announcement my department commenced prefeasibility studies in August 2006 to confirm the viability of the project. To date eight consultancies have been commissioned to carry out studies on geotechnical investigations and engineering appraisal of Rockwood Weir, Fitzroy River turtles, saltwater crocodiles, fish, native vegetation, social and non-Indigenous cultural heritage, Indigenous cultural heritage and the impact on road access. We just cannot go out and build this infrastructure without doing the proper studies.

These studies are in progress and are due to be finalised in September this year. Once finalised they will inform the environmental impact assessment and approvals process for the weir projects which will be led by the Department of Infrastructure. Both weirs are due to be constructed by 20011.

It is vital that we get this planning right for central Queensland and the Capricorn Coast which has gone through amazing transformations over the last couple of years as the member for Ashgrove would well know. The booming mining industry is certainly feeding growth into the area. Land prices are increasing.

I was on Great Keppel Island a couple of months ago. There is certainly great confidence in the Capricorn Coast area. We have to cater for that growing industrial and residential demand on the central Queensland coast. That strategy will help deliver water security for the next 50 years in that very important area of the state. I include Gladstone which is such an important asset to the Queensland economy. We are very serious about that water strategy. Central Queensland forms a very important part of our future work in Queensland.

**Mr GRAY:** Minister, I refer you to page 14 of the MPS at dot point 1 regarding the potential of sedimentary fractured rock aquifers to provide sustainable contingency groundwater supplies in our desperate search for all sources. What benefits to Queensland are likely from this program? How does it differ from other aquifer drilling programs that have been implemented previously?

**Mr WALLACE:** Good question, member for Gaven. With the continuing drought situation over most of the state and with the continuing escalating growth in development, especially in the south-east region, we are focused on securing reliable water sources right across the state. By developing new groundwater resources we can almost instantaneously tap into a reliable supply and often at much less cost than developing surface water options.

Extensive groundwater investigations have been undertaken in the major alluvial aquifers throughout the state over the last 40 years or so. These aquifers were targeted because of their potential to provide long-term yield supplies from shallow depths at relatively low cost. As a result of these investigations many of Queensland's cities and towns rely either fully or partially on groundwater supplies. In addition, groundwater from alluvial areas is also used extensively for irrigation purposes such as in my home area of the Burdekin where groundwater performs a vital role in sugarcane production.

However, unfortunately, little has been done to investigate potential groundwater supplies from fractured sedimentary rocks that could be targeted for fresh water supplies. While a number of these potential aquifers are currently used for domestic and stock watering purposes little is known about their potential for irrigation, industrial and urban water use.

With the advent of modern drilling techniques and drilling equipment that have the capacity to drill more easily into hard rock formations—they can go to a greater depth than was previously possible—it is now feasible and economical to explore and exploit these potential aquifers which are in much harder rock and potentially much further into the ground. Queensland has extensive areas underlaid by sedimentary fractured rocks extending across the state.

Based on existing data available areas likely to be targeted in the program include basalt areas on the eastern Darling Downs, central highlands, Mount Surprise and the Atherton Tableland areas, aquifers in sediments and volcanics in the Noosa to Maryborough area, volcanics in the eastern Bowen Basin and granite areas throughout the state. A number of these potential target areas are located adjacent to existing municipalities which are currently experiencing water supply difficulties in drought periods. The program will have an emphasis on not only identifying potential new deep groundwater aquifers located in sedimentary fractured rocks but also assess the potential of these aquifers to supply long-term reliable supplies to our community.

It is very interesting because we may have sources of water that we have not previously been able to access and measure. It is very important we work out how much water is there. Fingers crossed that that new form of drilling into that very hard rock will have some success.

**Mr CHOI:** Page 3 of the MPS refers to the establishment of the Queensland Climate Change Centre of Excellence. I am aware that the centre was launched in March by you and the Premier and that this centre was established by bringing together some 54 science and policy staff from your own department, the Department of Primary Industries and Fisheries and the Environmental Protection Agency. I should know that because you are pinching staff from my area as well. With the field of climate change work and an exciting mix of science and policy development can you outline the mix of staff employed at the centre and outline some of the work that these staff are focusing on?

**Mr WALLACE:** I think you said one word that probably sums this up—exciting. That is what this centre is. It is exciting. It is an Australian first. The Climate Change Centre of Excellence is something which we in Queensland should be—and I know my department is—very proud of.

The committee will note that in the 2006 election campaign the Beattie government committed to the establishment of the Queensland Climate Change Centre of Excellence in the Department of Natural Resources and Water with a mission to prepare Queensland for the inevitable consequences of climate change. The centre was launched by the Premier and I on 15 March. The centre was established by bringing together science and policy staff from the Department of Natural Resources and Water, the Department of Primary Industries and Fisheries and, as you lamented, the Environmental Protection Agency.

There are 52 staff of which 36 are scientists, nine are policy staff and seven are responsible for management and support. The centre staff are located primarily at the Indooroopilly science centre and in Toowoomba. There is also one staff member in Cairns and another in Nambour. The Indooroopilly staff are to be relocated to the Boggo Road Ecosciences Precinct when it is completed in 2010.

It is intended that the centre will have a whole-of-government focus and the capability to provide policy advice and scientific information on climate change and its impact on our community, the economy and the environment. It is expected to play an informative role in providing advice to government about measures to further reduce and offset the state's greenhouse gas emissions. By integrating climate change policy and science the QCCE will ensure the Queensland government is able to identify and implement climate adaptation and mitigation measures that support Queensland's continued economic, social and environmental prosperity.

The centre's key policy projects include implementing the Climate Smart Adaptation Plan actions for which the centre is primarily the lead agency and supporting the implementation of actions that are the responsibility of other government agencies. The key science projects at the centre include climate systems research, impacts of climate change, risk assessment applications and cloud seeding research.

**CHAIR:** It is now time for non-government questions.

**Mr HOPPER:** The MPS at page 1 suggests that two of the priorities for the department are water security and sustainably managing water. Minister, in question on notice No. 733 asked on 23 May 2007 you stated that you were advised by your department that the dredging of dams to increase storage capacity would involve enormous costs for very little benefit. On 16 June 2007 the Premier announced that the government would sell 150,000 tonnes of sand from the floor of the Wivenhoe Dam. Is the Premier wrong for agreeing with the opposition on the merits of dredging dams or is your departmental advice wrong?

**Mr WALLACE:** There is a difference between selling the valuable sand and dredging a dam. The Premier was more than right to say that we should be selling the sand from that dam and I support him 100 per cent. I think it is a great idea to sell the sand from Wivenhoe. I think a lot of it is going to be used in the pipeline for the western corridor recycled water pipeline thus lowering the costs. It is getting harder and harder to get good sand across the state as the building industry is so busy at the moment. It makes sense that we are selling the sand.

Desilting large dams is a different matter. Desilting large dams or weirs simply to increase their capacity is extremely costly. Unlike selling the sand as the Premier suggested you are actually paying for desilting. It does not represent a financially feasible or operationally viable solution. For instance, if we were to desilt some of Queensland's larger dams such as Wivenhoe, Fairbairn and Burdekin Falls Dam the cost of silt removal would be in the vicinity of \$100 million each to increase the dam capacity by a mere one per cent. So it is \$100 million for a one per cent gain.

Desilting dams or weirs would differ in terms of cost and method depending on the characteristics of each piece of water infrastructure and its environment. Approximate direct costs of removing silt would be in the order of \$5 to \$10 per cubic metre which translates into about \$5,000 to \$10,000 for every extra megalitre of storage gained provided there is an acceptable dumping site in close proximity to the dam.

Recognising that the volume of yield available from a dam is only a proportion of its storage these costs could translate into direct unit capital costs in the order of \$15,000 to \$30,000 per megalitre per annum of yield, which is particularly high in comparison to other water supply alternatives. I do not know of any business that would want to pay \$30,000 for a megalitre of water. Apart from the costs associated with desilting dams it might be cheaper to tow icebergs up from Antarctica.

Apart from the costs associated with desilting dams or weirs there may also be significant environmental hurdles to overcome if this type of activity was to be carried out. This would include issues such as turbidity and compromised water quality issues, disturbing aquatic fauna and flora habitats, mobilisation of contaminants, ecological disturbance due to vast areas required to store silt spoil, and the effect of localised sedimentation and downstream siltation due to rainfall and/or floods impacting on these spoil heaps.

**Mr HOPPER:** The MPS at page 3 suggests that the Queensland Climate Change Centre of Excellence is a budget highlight. The section even states that the centre will bring a strategic whole-of-government focus to climate change and aims to help Queenslanders better understand and prepare for the likely impacts. If the centre brings a whole-of-government focus on climate change why is it that when you go to the department's web site and click on climate change and look for basic information such as what is climate change and the greenhouse effect, how climate change will affect Queensland and information about regional differences and climate change impacts you are then directed to the EPA web site? I will table a page that I downloaded this morning?

Leave granted.

**Mr WALLACE:** We take the business of climate change seriously, even if the opposition does not. We do not spend all of our hours doing up web sites every day. I would rather have my people in the field doing the work, doing the research work that is important. I am very happy with the work that the Climate Change Centre of Excellence is doing. Indeed, as I noted earlier, I gave an update on cloud seeding in south-east Queensland with Dr Roger Stone at the Queensland Climate Change Centre of Excellence, which is working together with Dr Stone and a very eminent group of scientists on that particular technology. A couple of weeks ago I was able to release a report—the member for Cook would be interested in this—on the impacts of climate change on barramundi numbers across Queensland. We are doing a very major research project in Princess Charlotte Bay in your neck of the woods, and I should go there one day to have a look. As that area is not impacted so much by human contact it is a great area to research the impacts of climate change on barramundi. We know that with climate change the wetlands will dry out in northern Australia as rainfall becomes less frequent but more intense. We also know that barramundi will move south as the waters warm up, maybe into this neck of the woods. Member for Gaven, you might be able to catch a barra some time into the future.

**Mr GRAY:** I am feeling hungry talking about barramundi.

**Mr WALLACE:** You are feeling hungry? Fish for dinner for the member for Gaven. The Climate Change Centre of Excellence is a new organisation, and with the establishment of the climate change centre changes were required to the government's presentation of information on climate change. The [www.climatechange.qld.gov.au](http://www.climatechange.qld.gov.au) web site has been established to provide the community with a single point of access to government initiatives, information, resources and science information. The web site also provides navigation to other resourceful sites such as seasonal forecasts for Queensland on the Long Paddock site and educational and technical information provided by the EPA through the ClimateSmart Living web site.

Discussions between the QCCCE, EPA and DPI&F are ensuring that there is a consistent approach towards communicating the government's messages on climate change. We will employ a full-time web communications officer to ensure the web site material remains current and easily accessible for users such as the member for Darling Downs. The position will lead to development of web based applications and new communications. But can I say that I want my officers out there doing research and doing work. We need to respond and adapt to climate change, and that is one of the goals of the climate change centre.

**Mr HOPPER:** Minister, I refer to a statement by the Minister for State Development, Employment and Industrial Relations, Mr Mickel, on 10 July 2007 where he said that research into climate change and coral bleaching receives major funding. Minister, I expected this funding to go to the Queensland Climate Change Centre of Excellence but, no, it went to the ARC Centre of Excellence for Coral Reef Studies. Minister, how do you feel about Minister Mickel not supporting your department's whole-of-government approach to climate change through the Queensland Climate Change Centre of Excellence?

**Mr WALLACE:** Minister Mickel does support the Queensland Climate Change Centre of Excellence. Indeed, I had a chat to him last night about the Queensland Climate Change Centre of Excellence and he commented on the great work that it does. We make small grants to a range of different science bodies across the state, and indeed so we should be. Minister Mickel's departments do that right across the state to science bodies. Indeed, they have even previously given a grant to James Cook University for apparatus. The Queensland climate change centre is a great centre where we can respond to climate change in Queensland and look at projects which will ensure that we are able to adapt to climate change.

Apart from the barramundi research, which I know the member for Gaven gets hungry about, I know that the member for Ashgrove will be interested in some of the other research that we are conducting into Queensland's wine industry. We know that with climate change there may be some

impact on wine production in Queensland. I am no wine maker; I am just a wine connoisseur. We know that because of the change in temperatures grapes may not form properly to produce good wines and so we may have to get different varieties or change the way we ripen grapes to ensure that they mature at the right time to provide quality Queensland wines. I know that the member for Ashgrove will be particularly interested in that one.

The key science projects of the QCCCE are in the areas of climate systems research, the impacts of climate change and applications such as cloud seeding. One of the other projects which was spoken about very extensively last week in my neck of the woods in north Queensland—again, the member for Cook will be interested—is predicting the northern wet season. We know how important that is, especially the member for Cook in getting around his electorate—that is, knowing when the wet season is about to start and how intense that wet season will be. That governs the way of life in north and far-north Queensland. The QCCCE is working with various other bodies and we make funding available to other bodies to do some research. We make no apologies about that. We work with everyone. Indeed, we are working with a number of overseas organisations on cloud seeding, especially in the United States. Predicting that northern wet season will be a great result. If we can get that science right, I am sure the people of north Queensland will be delighted to hear the information that comes out of that particular study.

**Mr HOPPER:** Minister, I refer to question on notice No. 944 asked on Friday, 8 January 2007 where you stated that the acquisition value of non-current assets of the QCCCE is \$7,106,800. Will you provide a breakdown of what non-current assets have been acquired?

**Mr WALLACE:** We are more than happy to provide that breakdown. I do not have it with me unfortunately, but that centre is a great centre with over 50 staff doing wonderful work in a number of offices. As I said, we have offices in Toowoomba, on the Sunshine Coast and up in your neck of the woods, Mr Chair. I had some feedback from a gentleman yesterday who is the CEO of a major water planning company from the United States which is doing some research into the impacts of climate change in California and rainfall in California, especially in the Los Angeles-San Francisco area. I mentioned to him some of the work that the Queensland Climate Change Centre of Excellence is doing. He was very interested in that. Indeed, he is going to suggest to some of his officers that they contact the QCCCE to exchange information on flows in the Pacific, because we know that our rainfall events will be impacted on in the future by not only the Southern Oscillation Index, which members will be very much aware of, but also an event called the MJO, which is the Madden-Julian Oscillation which has impacts on our rainfall events. So the QCCCE will be looking at that and ensuring that we understand that technology.

But the value of acquisition of non-current assets to the Queensland Climate Change Centre of Excellence is \$7,106,800 with a written-down value of \$1.590955 million. The non-current liabilities of the Queensland Climate Change Centre of Excellence total \$16,062. This is based on leave liabilities in excess of eight weeks as at 14 June 2007. We are going to have to get our scientists to take a bit more leave if they have over eight weeks leave so we can make sure that they keep the natural juices flowing so they are positive and forward thinkers. There are two principal nodes of the QCCCE as I mentioned—one is the Natural Resources science centre at Indooroopilly and the other is at Toowoomba. As I mentioned earlier, the QCCCE also has offices in Nambour and Cairns. The overall work of the centre is managed at Indooroopilly. It is doing great work, especially in regional Queensland, which really pleases me. Research into the northern wet season, the MJO and the SOI and their impacts on weather really need further looking at.

**Mr HOPPER:** Minister, I note that in the 'Capital Acquisition Statement' in the MPS at page 30 there was zero dollars spent on capital acquisitions for the Queensland Climate Change Centre of Excellence. I note that a maximum of \$1,070,000 was transferred from other departments for climate change science and policy. Minister, where did the other \$6,036,000 in non-current assets come from?

**Mr WALLACE:** From our own department. They were existing assets. As I said, it is written down value. Director-General, do you want to add anything to that?

**Mr Spencer:** Yes, thank you, Minister.

**Mr HOPPER:** You can take it on notice.

**Mr Spencer:** My understanding is that most of those non-current assets would be the assets we would have and would probably largely be computer equipment. We have a very significant investment in supercomputers in the department. In fact, we have had two krays I think and they have been housed within the Department of Natural Resources and Water at Indooroopilly. They are reaching the end of their useful life and therefore the assets are being written down. I would say the vast majority of those numbers would in fact be our computer assets. I think that that would be almost certain given the very large number you are talking about there, because most of the investment in this centre is either in people and their grey matter or in the computer capacity that we undertake, because we do very significant calculations in terms of the very large algorithms that they run for their global climate

modelling. That is almost certainly what that information would be. It would have been housed with us. Some assets came over from DPI and an even smaller amount came over from the EPA. In fact, from the EPA I believe it was only staff but the DPI did have some capacity itself.

**Mr WALLACE:** And those kray computers, as you mentioned, are reaching the end of their useable life. I think those computers were purchased in the late nineties and those two computers cost around, off the top of my head, \$4 million.

**Mr Spencer:** Perhaps more, Minister.

**Mr WALLACE:** Perhaps more at the time. We certainly get better value from the new supercomputer that we will be purchasing. How much is the new supercomputer that we will be purchasing?

**Mr Spencer:** We have allocated \$3 million, Minister, and we will go to tender obviously to get that.

**Mr WALLACE:** It is very important that we get the right technology. As I mentioned earlier, we need to get the modelling right to predict what impact climate change is going to have on Queensland. The northern wet season, as I said, is a very complicated system. You have the Southern Oscillation Index. We have El Nino. We have La Nina. We have the MJO. We have the influence of the northern monsoon on the northern wet season. So you have to have very sophisticated computing to undertake that modelling to see what impacts climate change will have on our wet season. We do know, however, that with climate change our wet season will become less frequent. The rainfall events will become less frequent but more intense.

**Mr JOHNSON:** But fine elsewhere? That is what the weather blokes always say.

**Mr WALLACE:** But fine elsewhere. We have actually had the wettest June on record in Townsville, member for Gregory. I hope to export some of it so it is rainy and cloudy in Brisbane for a long time.

**Mr HOPPER:** Minister, the MPS at page 3 lists as a budget highlight \$7.6 million over four years being provided to evaluate the effectiveness of cloud seeding, and I know you mentioned this before. But, Minister, I refer to a CSIRO research paper titled *Guidelines for utilisation of cloud seeding as a tool for water management in Australia*. The study concludes that over the last 47 years successive cloud seeding experiments and microphysical investigations of the clouds have shown that the static ice crystal cloud seeding hypotheses is not effective in enhancing winter rainfall over the plains in Australia. However, there is evidence to suggest that cloud seeding is effective for limited meteorological conditions. Minister, if cloud seeding has been studied in Australia for 47 years and the CSIRO has results on when it is effective, why does your department just not cloud seed? Why do any more study?

**Mr WALLACE:** It has never been studied here, that is the reason, and we think it will work. We hope it will work. Roger Stone is, as I said, an eminent Queensland scientist, and I do not think there would be a person in this room who would question Roger Stone and the work he does, because if anyone does they have rocks in their head. Roger Stone is an expert in this regard. Roger has told me—and indeed he attended the press conference that I did today—that this is a very exciting project.

The first time it is done in Australia we are going to try what is called warm weather cloud seeding in this neck of the woods. Hydro Tasmania believe that they can increase their rainfall events through cloud seeding by about 30 per cent. Can I get an extension to that because it is a really interesting topic?

**Mr HOPPER:** Sure.

**Mr WALLACE:** They believe they will see a 30 per cent increase in rainfall events through cloud seeding. Think back to those rainfall events we had last month where we had some rain—and the member for Gregory will appreciate this—and we just did not get enough to get the run-off. It wet the ground, but we did not get the run-off. Imagine a 30 per cent increase in that rain. You would actually get some run-off into the dams, the weirs and the collection areas.

That is why we need to look at that project. I am not the one conducting it. It is Roger Stone and his group. We have got assistance from the United States and from the Bureau of Meteorology. It is a very good project and one which I hope will be welcomed. I do not have the vial with me; we put it away. We cannot expose it to too much light. That little vial would be enough crystal for two to three months work. Here it is. That vial would be enough in the initial research for two to three months work. We think that over a year—if it is successful and we undertake six months of cloud seeding—we would only require enough crystal to fill a tissue box. It is very interesting and something which the government is excited to be involved in. It would be good to get an extra 30 per cent rainfall or a percentage around that. It is one project which I support and the government supports.

**CHAIR:** I cannot really ask you to table that, but I was wondering if you could hand it around to committee members.

**Mr WALLACE:** I would be delighted to.

**CHAIR:** It is now time for government questions. I call the member for Ashgrove.

**Ms JONES:** I see the minister and the senior departmental officers are practising what we preach today and they have brought their own bottles of recycled water this evening. Page 4 of the MPS indeed refers to recycled water. Can the minister please outline to the committee what work is being undertaken by his department on potable use of reclaimed water?

**Mr WALLACE:** Thank you. You picked that up. We religiously drink NEWater when we take water with us because it is such a good project and the Singaporeans give it to us for free.

**Ms JONES:** Despite what the minister said earlier, so do I.

**Mr WALLACE:** We were very excited to be involved with recycled water. Indeed, I was in Singapore in April and attended an international conference on desalination and water reuse. The comment we got not only from the Singaporeans, who are world leaders in recycling water, but from water experts around the world was that there was a lot of excitement about what we are doing in Queensland. Indeed, I have been getting invitations from San Diego, the Canary Islands and other bodies around the world to present on what we are doing in Queensland in terms of recycled water.

Unfortunately, as we know, south-east Queensland is experiencing its worst drought in living memory. As at 4 July, key urban water storages in south-east Queensland were at 18 per cent. The current situation has highlighted the importance of maximising water resources through water recycling in industrial, commercial, agricultural and urban sectors. Recycled water has primarily been obtained from water treatment plants. As the drought continues, there is an increased interest in using other sources of recycled water for a variety of uses such as watering parks, gardens and ovals and for toilet flushing. My department, the Department of Natural Resources and Water, is currently developing the recycled water quality and continuity of supply regulatory framework to support the safe and sustainable use of recycled water right across Queensland. The implementation of the regulatory framework is a priority for my department in 2007-08.

The Western Corridor Recycled Water Project is a key Queensland government water supply augmentation measure aimed at meeting south-east Queensland's water needs beyond 2008. The Western Corridor Recycled Water Project will provide purified recycled water as an additional water supply source for Wivenhoe Dam from October next year. Purified recycled water is recycled water treated to a quality comparable to that expected of drinking water. The Western Corridor Recycled Water Project is one such project that will have to comply with the recycled water regulatory framework once it comes into force in mid-2008. In the interim my department, together with Queensland Health and the Queensland Water Commission, is working closely with the Department of Infrastructure to ensure that the project achieves the objectives of regulation, protecting public health and ensuring continuity of supply.

**Mr GRAY:** Minister, on something again near and dear to my heart because I have just participated in it, the Home WaterWise Rebate Scheme is featured on page 4 of the MPS. The scheme provides rebates, as we know, to people who install water-saving devices such as water tanks, and I have just ticked myself off there; plus pumps; plus taps; water efficient washing machine, I have done that; toilets suites, done that; greywater systems, which we have because I am on a large block of land and we have a sewage septic system—

**Mr WALLACE:** Very good to hear.

**Mr GRAY:**—and a pool cover, which I have; and a rainwater diverter, which I also have. I think I have exceeded the list. Rebates have been paid in 114 local government areas. Can the minister give some examples of the total rebates paid in some of these local government areas?

**Mr WALLACE:** I thank you, member for Gaven, and I congratulate you on your wonderful water-saving initiatives. I will have to come for a look one day—

**Mr GRAY:** You will.

**Mr WALLACE:**—and you can make me a cup of tea with the rainwater if that is all right.

**Mr GRAY:** We can do that.

**Mr WALLACE:** Thank you, member for Gaven, for your question. The Home WaterWise Rebate Scheme has been a tremendous success, as we spoke about earlier. It is the biggest scheme of its type in Queensland history. This is evidenced by the huge number of Queenslanders who have taken advantage of this generous rebate offer made by the Queensland government. My department has done an astounding job considering that this scheme started from scratch just 12 months ago. In fact, during its first week of operation, as I have previously pointed out, the scheme made payments of just \$1,030. I am pleased to say that with additional staff and accommodation the scheme paid out in excess of \$6.1 million and processed over 8,700 applications in the week ending 6 July.

Staff have worked exceedingly hard to meet the demand from the community, which has been driven to a large extent by the people of south-east Queensland, where this drought has hit the hardest. As at 6 July 2007, applications received for south-east Queensland local authorities had a potential

value in south-east Queensland of \$136.4 million. By contrast, applications for local authority areas across the rest of the state as at 6 July had a potential value of \$13.06 million. As at 6 July, Home WaterWise Rebate staff had processed payments in excess of \$85.1 million. As I noted earlier, last night I was told that we had passed the magical \$88 million mark.

Of that \$85.1 million figure, a significant proportion has been paid to the residents of the 21 shires that represent south-east Queensland. For example, as at 6 July, residents of the Brisbane local government area had been paid in excess of \$30.2 million; your neck of the woods, member for Gaven, Gold Coast residents, \$11.6 million; Logan, \$5.2 million; Toowoomba, \$3.9 million; Ipswich, \$4.9 million; Pine Rivers, \$5 million; Beaudesert, \$2 million; and Caboolture, \$4.8 million. Outside the south-east corner demand has been lower. However, a recent launch of information booths to promote the scheme at Bunnings hardware stores right across the state is expected to increase demand. Indeed, the Bunnings display in Townsville will occur in the very near future, and I will go along to see that display. I hope that my wife does not come because she never gets out of that store without spending a lot of money. The growth in demand for the government's generous rebates has been quite extraordinary. Can I have an extension?

**Mr GRAY:** Yes, please.

**Mr WALLACE:** Prior to level 5 restrictions being introduced by the Queensland Water Commission in south-east Queensland, the Home WaterWise Rebate Scheme was receiving in the vicinity of 5,000 to 6,000 applications a week. Since the introduction of level 5 restrictions, that has jumped to over 9,000 applications a week. Indeed, as I said earlier, with Brisbane City Council changing some of its rebates, we are seeing an even greater jump in demand from people for our very generous rebate.

**Mr GRAY:** May I, with your indulgence Mr Chairman, ask a supplementary question?

**CHAIR:** Go ahead.

**Mr GRAY:** Like many others, I suggest that the number of people putting in tanks is far greater than the number that has been recorded. Like many others, I have failed to submit my application yet. Do not look at me like that, deputy DG. It has been some eight months since I put in the tank. Is there any time limit on the processing of the applications?

**Ms JONES:** It is for a constituent, I assure you!

**Mr WALLACE:** Yes, you are making a constituent representation on behalf of the member for Gaven, I dare say.

**CHAIR:** Yes, but I am not sure about his conflict of interest.

**Mr WALLACE:** We like to give out rebates. There are rules. Do not forget to sign your application form. Do not forget to include your original invoice. You have to make sure you keep your original invoice to send in when you apply for your rebate. We will return your rebate as quickly as we can. Members might actually be interested in this particular table I am holding which shows the number of rebates approved every month. You can see July is low because it only goes up to 6 July. So that was only six days worth of work. You can see the figures are gradually going up. That is a real testament to the staff of my department, who are working extremely hard to get the rebates out.

**CHAIR:** Are you able to provide that in a form?

**Mr WALLACE:** I can table that.

Leave granted.

**CHAIR:** Member for Ashgrove.

**Ms JONES:** I refer to page 4 of the MPS and the highly successful Home WaterWise Rebate Scheme, which is in place to help Queenslanders become more water efficient, which you love talking about. In particular, I want to ask a question about the Lifestyle WaterWise program, which helps not-for-profit community groups and sporting clubs maintain gardens, parks and sporting fields during what is the worst drought on record. Can the minister outline the details of this important community grant scheme?

**Mr WALLACE:** I can. You would be especially interested—

**Ms JONES:** I am very pleased with the program.

**Mr WALLACE:**—with the community groups in your electorate and they have been very proactive. I congratulate them for doing that. You must have been out in the field.

**Ms JONES:** I was selling it, don't you worry about that.

**Mr WALLACE:** It is a very successful program. It helps the groups in our various electorates who do sometimes find it hard to get the dollars to install the water-saving equipment. By and large, community groups right across the state have jumped on board to take advantage of that. We should be concerned about our water use not only at home but wherever we are. As I have pointed out previously, we provided assistance of \$108.8 million last financial year for our WaterWise scheme and last month the Premier and I had the pleasure of announcing that almost 400 Queensland sporting clubs and community groups would share in \$6.2 million of Beattie government grants to help them through this, the worst drought on record, as you pointed out.

**Ms JONES:** You even helped the largest cricket club in the Southern Hemisphere.

**Mr WALLACE:** There you are. I take that interjection from the member for Ashgrove. Being a very keen cricketer myself, I am always keen to help cricket clubs, but there is no conflict of interest I can assure you, Mr Chair.

The release of the first round of Lifestyle water grants marks the delivery of a 2006 election commitment. The Lifestyle WaterWise grants program for not-for-profit organisations is a \$10 million Queensland government election commitment over two years to encourage community based organisations to reduce their consumption of treated drinking water and to ensure that ongoing drought has a minimal impact on their activities. Community organisations such as sporting clubs, churches, P&Cs and community child-care centres, kindergartens and preschools can access grants of up to \$30,000 to implement their waterwise measures. Organisations seeking smaller grants can apply for between \$3,000 and \$10,000.

Community groups have 12 months to complete their waterwise projects. So the cricket club has 12 months to do that. You keep an eye on them for me, member for Ashgrove. Measures include improving watering systems; replacing existing water amenities, such as toilet cisterns; providing alternative water sources, such as water tanks; and installing swimming pool covers and rollers. The first round for applications was launched by me and the Premier on 6 December. There were 392 successful applications approved. You were there, were not you, at this launch?

**Ms JONES:** Yes, I was.

**Mr WALLACE:** You saw my wonderful batting style; that is right. The total funding of approvals was \$6.181 million for their community groups. The Premier announced a call for second round applications for the grant program some weeks ago, the closing date for second round applications being 5 October.

**CHAIR:** On page 11 of the MPS I note that the department assisted in the clean-up associated with Cyclone Larry. Like many other departments, Natural Resources has a role in responding to natural disasters. Highly destructive tsunamis devastated much of South-East Asia in late 2004, including Sumatra, Thailand, Sri Lanka and other countries. In Australia, calls for were made for a better system of tsunami alerts. Do you have a role in the alerts?

**Mr WALLACE:** Thank you, member for Cook, and you will certainly be interested in this answer not only because of the effect of Cyclone Larry on far-north Queensland but I know the concern that was expressed in the Cooktown-Cairns region about the tsunami. Indeed, the earthquake in the Solomon Islands on 2 April and subsequent public advice by the Commonwealth government of a tsunami threat to the east coast of Queensland highlighted the need for tsunami preparedness in Queensland.

The Premier advocated more proactive disaster planning in view of the increasing risk from cyclones, storm surges and rises in sea levels and also highlighted the need for hazard modelling and simulation capability for tsunami events to be fast-tracked as a matter of priority. The event was recorded on the EPA storm tide network, but only after the tsunami had reached the coast, highlighting the need for more marine monitoring.

Another concern was the need to fill the gaps in geospatial data to enable accurate modelling to allow sufficient warning and action to enable people to escape from the potential impact zone. My department had four representatives at the workshop hosted by the Department of Emergency Services on 12 April, which focused on building on from the experience of the tsunami alert on 2 April. The workshop was intended to identify how the state government could be more responsive to this type of event in the immediate and the longer term. The workshop drew together with those who dealt with the warning, those working on the national program to improve the warning system and subsequent safety arrangements and a range of other interested parties with the potential to help.

From this initial gathering a working group with representatives from my department, Emergency Services and the Environmental Protection Agency developed a discussion paper on progressing the tsunami warning project. This discussion paper proposed the development of a framework for acquisition of coastline data, ground and wave modelling, and other resourcing requirements. The discussion paper considered what would be the most responsive government structure and provided an outline of required actions and mapping support. It identified links to other key government agencies and storm tide mapping that could utilise similar datasets and ways to maximise the outcomes for preparedness and planning for similar hazards.

The detailed costing of the project has yet to be finalised. Since a tsunami threat is very widespread and does not end at state borders, my department will continue to participate in the essential ongoing interaction between governments at all levels. I note that the Commonwealth is responsible for laying the lead buoys in the ocean for tsunami alerts. I would encourage the Commonwealth to carry out that program as soon as possible so that if there is a future event, we learn of it sooner rather than suffering the consequences later on.

**Mr CHOI:** Recycled water is a critical part of the state's strategy to address water security. It is mentioned on page 4 of the MPS that the Urban Water Security Research Alliance is a major initiative looking at recycled wastewater and stormwater systems. Who makes up this alliance? What funding is being devoted to it? Who will benefit from the work of the alliance?

**Mr WALLACE:** I thank you, member for Capalaba. That is a good question. Because of what we are undertaking in south-east Queensland, we need to ensure that we use expertise right across the spectrum. As I mentioned earlier, when I was in Singapore we were getting comments from right across the world about what we are doing here in Queensland in terms of water supply and water security.

The alliance, which you mentioned, is one of the world's largest urban water research initiatives. It is a partnership between the Queensland government, CSIRO, the University of Queensland and Griffith University. The Queensland government is investing \$25 million in the alliance with the partners providing matching funding for a total investment of \$50 million over five years. The alliance will link with other research institutions, including the CRC for Water Quality and Treatment and the eWater CRC, the International Water Centre and the Healthy Waterways and the Moreton Bay catchment program. The primary beneficiaries will be the people of south-east Queensland, where the research will help underpin the delivery of a robust, reliable and environmentally sustainable urban water supply well into the middle of this century. This water supply is facing the dual challenges of high population growth, which means more demand, and expected climate change, which means reduced supply.

In the short term, the alliance's goal is to build reliability and safety in recycled water systems, providing up to 90,000 megalitres per year to south-east Queensland. In the longer term, the alliance will work towards delivering water security by recycling waste water and stormwater through innovative treatment and storage methods to provide up to 25 per cent of the total water supply, or around 150,000 megalitres per year.

Research for the alliance will examine the fundamental issues that are necessary to deliver the region's water needs, including the reliability and safety of recycled water systems, advising on infrastructure and technology for the recycling of waste water and stormwater, research and pilot testing in the use of urban and agricultural aquifers to store recycled water and stormwater, building scientific knowledge to underpin the management of health and safety risks in a water supply system, and understanding community attitudes towards water use, water recycling and preparedness to change behaviour. Just before I finish, for the information of the member for Gaven in relation to your rebate, our program will run until 30 June 2009. So make sure you get in your application.

**CHAIR:** We have a little bit of time for a couple more non-government questions. The member for Darling Downs?

**Mr HOPPER:** Thank you very much. Minister, you have just answered a question asked by the member for Gaven, giving statistics on local government areas. Yet when we asked you question on notice No. 4, you suggested that it represented an unreasonable burden on your department. So will you now answer this question and give the opposition the information that you have provided to the member for Gaven?

**Mr WALLACE:** Yes, I will give you the information that we have provided to the member for Gaven.

**Mr HOPPER:** Thank you very much. That will be taken on notice?

**Mr WALLACE:** It just refers to my answer to the member for Gaven, so we will give you the *Hansard* response to the question asked by the member for Gaven.

**Mr HOPPER:** Page 2 of the MPS states that the department will continue to implement a number of key natural resource reforms, including wild rivers. Those affected by vegetation management laws were given access to compensation for bearing some of society's environmental cost. Yet those faced with the more restrictive wild rivers legislation do not. Why will you not compensate landholders who have been affected by the wild rivers legislation?

**CHAIR:** This is not actually a question. It is up to you if you want to take a point of order.

**Mr WALLACE:** Where is it in the MPS?

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

**CHAIR:** It is up to you if you want to take a point of order, but I do not think that it is about water management.

**Mr HOPPER:** It is on page 2 of the MPS—the wild rivers program.

**Mr WALLACE:** I will answer it.

**CHAIR:** It is up to you. It is too late in the day to argue.

**Mr WALLACE:** Yes, I agree.

**Mr JOHNSON:** I am not in the mood to—

**Mr WALLACE:** No, the member for Gregory never argues. We on our side of the House, like our vegetation management laws, are very, very proud of the wild rivers legislation. I know that the member for Cook takes a great interest in the wild rivers legislation. It is unique and groundbreaking legislation that has the purpose of preserving the natural values of rivers that have or almost have their natural values intact.

On 28 February 2007, the government finalised the wild rivers declarations for the first six wild river basins in Queensland. For the committee's information, those are the Staaten River, Settlement Creek, Morning Inlet Creek, the Gregory River basin and the river systems on Fraser and Hinchinbrook islands. The wild rivers code was also passed by parliament in February.

My department has sent kits to all landholders and local councils in these areas to help people understand what they can and cannot do and what has changed within the wild river areas. It is important to note that the declarations and the code will still enable development to occur in wild rivers areas whilst ensuring that the natural values of these wild rivers are preserved. I repeat that: the declarations and the code will still enable development to occur in wild river areas while ensuring that the natural values of these wild rivers are preserved.

My departmental officers have already conducted a number of information workshops with other state agencies to assist them in applying the provisions of the declarations and the code when assessing the development activities in the wild river areas. These workshops will continue until the end of June and will include local councils in the area. The Beattie government is committed to ensuring that the application of the wild rivers code to proposed development activity is as straightforward as possible and is offered to provide continuing assistance to local government, stakeholders and other agencies. A number of easy-to-understand guides and fact sheets have also been produced to enhance the community's awareness of wild river provisions.

**Mr HOPPER:** In relation to wild rivers, page 16 of the MPS states that there will be seven wild river declarations in 2007-08. Will you name those seven extra rivers?

**Mr WALLACE:** We will work with the community, we will work with stakeholders, we will work with people in the area, especially on the cape, and we will work with the local member, the member for Cook.

**CHAIR:** Thanks.

**Mr WALLACE:** Over the coming year we will consult widely. We will not jump to conclusions. We will do the job properly. I can only reiterate that we on this side of the House are very proud of our wild rivers legislation. I look forward to continuing the dialogue with the local communities affected and, of course, with the local member.

I thank Mr Chair and committee members. I think the hearings were conducted in a very proper manner. I thank you, member for Darling Downs, and the other committee members for their questions. I also thank the research staff who stay after hours to undertake this. But can I especially thank my departmental staff who have been working very, very hard and my office staff for assisting me in this regard. I think estimates plays a vital role in our parliament and I think our parliament is stronger because of that. Thank you very much.

**Mr HOPPER:** Thank you, Minister.

**CHAIR:** That concludes the examination of the estimates for the portfolio of the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. Thank you, minister, and advisers for your attendance. That also concludes the committee's consideration of the matters referred to it by the parliament. The transcript of this part of the hearing will be available on the Hansard web site within two hours from now.

Before I conclude, on behalf of the committee, I also thank the Hansard staff, the timekeepers, and the attendants for their assistance today. I would also like to pay special tribute to Meg Hoban, who is sitting here to my left, and to Narelle Robinson from the secretariat. Thank you very much, ladies, for your assistance in the smooth running of this committee. I declare this public hearing closed.

**Committee adjourned at 7.28 pm**