

WEDNESDAY, 16 JULY 2008

ESTIMATES COMMITTEE B—TREASURY

Estimates Committee B Members

Ms VE Darling (Chair)
Dr B Flegg
Mr VG Johnson
Mr J-P H Langbroek
Mrs CA Smith
Hon. DM Wells
Mr WE Wendt

In Attendance

Hon. AP Fraser, Treasurer
Queensland Treasury Department
Mr G Bradley, Under Treasurer
Mr T Spencer, Deputy Under Treasurer
Mr D Ford, Deputy Under Treasurer

Committee met at 8.30 am

CHAIR: Good morning. I declare this hearing of Estimates Committee B now open. On behalf of the committee I welcome the Treasurer, departmental officers and members of the public to the hearing. I would like to introduce the members of the committee. My name is Vicky Darling. I am the member for Sandgate and the chair of the committee. Dr Bruce Flegg, the member for Moggill, is the deputy chair. The other committee members are Mr Vaughan Johnson MP, member for Gregory; Mr John-Paul Langbroek MP, member for Surfers Paradise; Mrs Christine Smith MP, member for Burleigh; Hon. Dean Wells MP, member for Murrumba, who is stuck in traffic and whom we are expecting at any moment; and Mr Wayne Wendt MP, member for Ipswich West. Mrs Smith is unable to participate for the full duration of today's hearing. Mr Simon Finn MP, member for Yeerongpilly, will take her place on the committee for examination of the portfolios of the Minister for Police, Corrective Services and Sport.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2008 for the areas set out in the order of appointment dated 1 May 2008. This morning the committee will examine the proposed expenditures for organisational units within the portfolio of the Treasurer. At noon, the committee will commence its examination of the proposed expenditures for organisational units within the portfolio of the Minister for Health followed by the portfolios of the Minister for Police, Corrective Services and Sport.

The committee will suspend proceedings for the following breaks: morning tea, from 10 am to 10.15 am; another short break from 11.45 till 12; lunch, from 1.30 pm until 2.15 pm; afternoon tea, from 3.45 till four; and another short break from 5.30 till 5.45 pm. I remind all those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard I remind members of the public that under the standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee.

The committee has resolved that television coverage, photographs and sound broadcast will be allowed for the opening statements by the chair and by each minister, and at changeovers of organisational units. Please ensure that any mobile phones or pagers are either switched off or switched

to silent mode. I remind members of the committee and the minister that under standing orders 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 and answers 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. The committee has given leave for non-committee members to ask questions today. Mr Mike Horan MP, member for Toowoomba South, will be participating in the hearing on this basis. I ask departmental officers 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 now declare the proposed expenditure for organisational units within the portfolio of the Treasurer open for examination. The time allocated is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

Treasurer, if you wish to make an opening statement, I remind you that there is a time limit of five minutes for such a statement.

Mr FRASER: Thank you, Chair, and committee members. I look forward to the deliberations of the question before the committee on a budget that was framed over the last 12 months in circumstances that one would best describe as materially different from those that have prevailed in the years beforehand and certainly to an extent since the budget was handed down on 3 June in circumstances that continue to be in flux. It is a budget that charts a course for the long-term future of the state of Queensland, recognising the point in time that we are at and recognising, as it does, the challenges of the last 12 months and the challenges that exist before the state of Queensland on the forward agenda.

It is a budget that, recognising these challenges, is framed with an \$809 million surplus. That is the second biggest surplus in the last decade, recognising that at this point in time, with the questions that remain about the global economic environment, it is appropriate for a budget to have the capacity to absorb the effects of what might wash up on our shores in the state of Queensland, recognising our enmeshment in the global economy.

It is a budget which focuses very much on front-line service delivery, with a massive injection into the health system of \$1.2 billion. That means that this year we will see an army of an extra 2,000 front-line health workers heading to the coalface of health service delivery. It is a budget which recognises that the biggest challenge that faces all governments of all persuasions is ensuring you provide health care in the most efficient and productive manner possible with the resources available to government.

It is a budget that focuses on front-line service delivery in areas such as education and police, with 270 extra teachers and teacher aides, and 200 extra police funded by the budget, and with 250 extra paramedics, 100 of whom are funded by the results of the audit we undertook into the Queensland Ambulance Service. A hallmark of our approach to fiscal management over the last 12 months and on the go-forward for our government is to make sure that we seek to extract the maximum benefit out of the public resources provided to the government to provide the front-line services that Queenslanders expect and demand.

It is a budget that does those things and focuses on front-line service delivery while also recognising that, ultimately, Queensland has had the benefit of strong financial management in the past and a set of taxation arrangements in the past that has allowed business to flourish in this state. As we clock in our 12th year of the Queensland economy outpacing the national economy and look forward to and forecast the 13th year in which the Queensland economy will do that, we ascribe in no small part that result to the taxation settings that we have put in place over a period of time. This budget maintains our competitive tax regime by providing further relief in measures such as payroll tax, further relief in terms of land tax but, most particularly, for the benefit of a burgeoning population and an economy that is seeking to attract skilled labour to support the expansion of our economy, stamp duty reform for people entering into the housing market. That is at the forefront and is a hallmark of this budget, not just the economic dimensions of that challenge but most particularly the social dimensions that require us as a government to ensure that we can provide every assistance to people seeking to enter into the housing market for the first time.

We recognise the difference between those people who have been able to get into the property market in the past by targeting our assistance squarely at those people who have not yet been able to hop in and take the benefit of a rising property market. So we provide a budget that focuses on front-line service delivery. We provide a budget that has a surplus of \$809 million. And we provide a budget that maintains our competitive tax regime and provides further relief aimed squarely at ensuring a success story over the last 12 months—indeed, over the last 12 years. More importantly, for the 13th year in a

row we predict a gathering of pace in the Queensland economy that will once again see us outpacing the national economy and delivering what we believe to be a robust result to the benefit of all Queenslanders.

We do that in what can only be described as more challenging circumstances than have prevailed over the last 12 months, certainly in a global sense. But fundamentally we believe that the underpinnings of the Queensland economy—the rock on which it is built—remain absolutely sound. While there are very vexed questions about the future forecast for the economy in a global sense, we believe that Queensland is best placed with the ability to absorb those shocks, to absorb what might wash onshore in a way that means we can continue to chart a path of prosperity for the future. I look forward to the committee's interrogation of the budget.

CHAIR: Thank you, Treasurer. The first period of questioning is allocated to non-government members. I call the member for Moggill.

Dr FLEGG: Treasurer, my question relates to the forward estimates that you have framed for the health expenditure. In the recent federal budget the Medicare surcharge change has been estimated to result in between 450,000 and 900,000 Australians dropping out of private health insurance. This is potentially 100,000 to 200,000 Queenslanders. Can you tell us what, in your view, is the number of people who will drop out of private health insurance in Queensland, what the budget implications for health in Queensland are of that, and what study you have done as to what additional funds need to be injected into the health budget to cope with this?

Mr FRASER: This is a matter that has been the subject of some public debate in the last month or so since the federal government handed down its budget. Obviously to the extent that these are matters relevant to the broader renegotiation of the Australian Health Care Agreement, which is due for renegotiation by 1 January 2009, these are matters which will be taken account of in those negotiations. Those negotiations, because of a COAG decision, will in fact be led by treasurers, and the work on both the Australian Health Care Agreement, or AHCA, and the other SPPs will be undertaken in earnest over the next six months before we get to the first introduction of the AHCA from 1 January.

It is fair to say at this point in time that there is a lot of debate and we have not yet got a concluded view about what the effects will be of that. I have seen other comments from other health providers about what they might believe to be the effects. We do not have a concluded view as a government at this point in time about what the numbers might be but seek only to incorporate that analysis and the outcomes that might flow from the lifting in the Medicare threshold into the renegotiation of the AHCA.

Dr FLEGG: I refer to the decision of the Commonwealth Grants Commission to reduce Queensland's share of GST revenue. Isn't the decision by the Grants Commission the direct result of the state government's increased revenue as a result of state taxes? Could the increase in coal royalties and other future tax increases just cause Queensland's share of the GST revenue to shrink further? If this is the case, what is the logic of that?

Mr FRASER: The logic is the logic that underpins the financing of the Federation in the first place, and that is that the Commonwealth Grants Commission has always operated on a principle of horizontal fiscal equalisation which recognises the different revenue capacities of the constituent states that comprise the Federation. As a state we have always been a long-term supporter of the notion that equity across the Federation requires different contributions from different constituent states that make up the Federation. Just because at this point in time Queensland for the first time has become a net donor into the pool I do not think warrants us adopting a wildly different policy position from that which the state of Queensland has held over the history of the Federation. That is to say, obviously the components of determination by the Grants Commission go to many factors. One is cost of service delivery; one is population expansion; one is revenue capacity.

It is in fact the case, rather than as you point out, that Queensland takes a penalty from the fact that, overall, the Grants Commission judges many of our taxation settings to be below capacity—that is, the figure for land tax is 45 per cent below capacity; for transfer duty, about 22 per cent or 25 per cent, from memory; and for payroll tax, 11 per cent. So we find ourselves in a position where the Grants Commission suggests and makes its assessment of our revenue requirements based on what we theoretically could raise from any of those revenues. So the argument, in fact, is on its head despite your question, and that is the logic of your question would require us to lift all our taxation regimes to national rates to be able to take the benefit of the Commonwealth Grants Commission methodology in determining what is provided to the state, and I am sure that is not a policy proposition that you would seek to advance.

Dr FLEGG: I again refer to the decision of the Commonwealth Grants Commission to reduce Queensland's share of the GST. Would not reducing some of the inefficient state taxes like the duty on life insurance lead to a corresponding increase in GST revenue?

Mr FRASER: I am not sure on what basis you would make that assumption but it is certainly not the case.

Dr FLEGG: I refer to the budget for future infrastructure projects and ask you whether or not the government is doing any studies or modelling in relation to congestion tolling or cordon taxing?

Mr FRASER: In relation to—

Dr FLEGG: To congestion tolling or cordon taxing?

Mr FRASER: Similar to the model that is in place in London, for example?

Dr FLEGG: Yes.

Mr FRASER: No, we are not. I speak for the Treasury department in saying no, we are not doing that modelling at the moment. I am not prepared to provide a warrant of a thought bubble that might exist in some particular person in an agency anywhere in the government, but obviously our approach to congestion management has been set out both in the budget and more generally with other initiatives. It is not an approach that seeks only to provide the solution through future infrastructure provision but also through other measures such as enhanced public transport options and public transport services. The government is not presently entertaining a model of introducing a congestion tax.

Dr FLEGG: I refer to your government's decision to increase stamp duty for investment properties worth more than \$750,000. Will this stamp duty hit on investors not just reduce the supply of rental accommodation further by discouraging investment in rental property? Has Treasury examined the possible effects of this tax hike on the availability of housing?

Mr FRASER: As you can see in the budget forecast, we are predicting a modest recovery in investment in dwellings over the forward year. We in fact believe that quite the opposite will be the case—that is, our taxation measures introduced in the budget aimed squarely as they are at assisting people to get out of the rental property market and into property ownership will have a positive effect on the broader issue of housing affordability and the ability for Queenslanders to be able to access safe, secure and affordable accommodation.

We believe ultimately that the answer to assisting the housing affordability issue is ensuring that we have the supply of new properties coming onto the market. Certainly the feedback that we have received as a government and that I have received in person from those people who are at the forefront of providing extra housing supply into the market is that they believe that the measures introduced by the government in the budget aimed squarely as they are at ensuring by 1 September that people entering into their first home purchase for any purchase under \$500,000 pay not a cent in stamp duty or a cent in mortgage duty will have a stimulatory effect on future housing supply and assist people to enter into the property market in the first place.

I would note in the context of my previous answer to you on the Commonwealth Grants Commission that one of the determinations of housing affordability in the broader macro sense is the settings in relation to land tax. Given that the Grants Commission has judged our land tax regime to be 45 per cent of the national rate, I would put the case that our taxation regime—taken as it is with transfer duty and land tax—is very competitive for encouraging investment that other states might be competing for.

Secondly, it is also the case if you look at the reforms that we have made to land tax over the last four or five budgets that that has introduced a significant level of reform to reduce the imposition of land tax to ensure that housing affordability and the supply of housing onto the market can be encouraged. Obviously, we have also got other supply side solutions including the allocation of \$500 million from the Future Growth Fund into the provision of social housing. I know that that is a matter that was addressed in some detail by the minister for housing last night.

Dr FLEGG: You mentioned there your forward forecasts for dwelling investment. I notice that your predecessor in the previous budget forecast dwelling investment to increase by 4¼ per cent. The actual outcome was a decline of 5½ per cent. There is a huge variance across dwelling investment. How confident are you of the forecast you just alluded to? How much confidence should Queenslanders have in that forecast?

Mr FRASER: I have absolute full faith and confidence in the professionalism of the Office of Economic and Statistical Research within the Queensland Treasury. I think it has served the people of Queensland and the taxpayers of Queensland well over generations. To the extent that in the private or public sector anyone can have a level of confidence about economic forecasting then I maintain full confidence in the forecast that we have.

As you know, and as everyone appreciates, the reality of the last 12 months is very different to what anyone was predicting. Framing a budget last year no-one had heard of the US subprime mortgage crisis, for instance. No-one was predicting that the Reserve Bank would be required to move as it did with a series of interest rate rises which is always going to have an effect on dwelling investment. While we are in a period of above the mark interest rate settings by the Reserve Bank then that is always going to have an effect on our housing market. That is precisely why the policy settings we have put in place to encourage people into the housing market for the first time and to encourage future investment are not just appropriate at the individual level but appropriate at the broader economic level.

Dr FLEGG: I refer to some comments made by one of your predecessors, former Treasurer Keith De Lacy, in relation to this budget's measure to increase coal royalties where he asserts that it will have a significant effect on discouraging investment in Queensland. Is Mr De Lacy right?

Mr FRASER: The reality for the coal industry at the moment is one which is very rosy. In fact, far from there being a predilection—

Dr FLEGG: I think his comment is about investment in general and not just about the coal industry.

Mr FRASER: I am happy to answer the question. The outlook for the Queensland coal industry at the moment is far from an environment in which the prevailing view is one of disinvestment but in fact of hyperinvestment. I think the Premier outlined some occurrences and some views by a number of companies yesterday about their future forward program of what they believe is appropriate for investment in the development of Queensland's coal resources.

If you look back through history and look back through the original settings to the royalty regime in Queensland and some of the reporting at the time you find that there was a very big debate in the 1970s, which is when the royalty regime was put in place, that it required a setting which was a discount to encourage that investment in the first place. On any measure, to the extent that those settings assisted in the development of a coal industry in this state, one could regard that as a success. Given, however, the trebling of coal prices, given the forward outlook for what companies are predicting about where those prices will be in a sustained way—not perhaps at exactly those prices but certainly at a structural uplift—then my impression and my feedback and my assessment of where the coal industry is placed in Queensland at the moment is that they are seeking to invest further in the industry.

It is relevant to point out that the royalty regime that has been put in place to do away with the discount and take it to the full 10 per cent is in fact a marginal rate. To the extent that the coal price remains above \$100 a tonne, the 10 per cent rate only applies above \$100. Should the coal price fall then the previous discount of seven per cent applies to prices under \$100. It is not an arrangement which would not be responsive to changing prevailing circumstances.

I think at this point in time the requirement upon government being a major port owner and the owner of QR is about infrastructure investment and the softer infrastructure in the communities which support the mining boom in this state. I think that the rate of return of 10 per cent put in place in this budget represents a fair return to the taxpayers of Queensland who after all are the owners of the resource which is being mined.

Dr FLEGG: I think the comment is that when you have an unpredictable royalty regime it is not just the coal industry that is affected but it sends a message to everyone who potentially invests in Queensland that they cannot have confidence in the taxation regime they are going to operate under.

CHAIR: Member for Moggill, are you asking a question?

Dr FLEGG: Yes, I am asking the Treasurer to comment on the broader investment implications outside the coal industry when businesses that are investing do not have certainty about the tax regime under which they are going to operate in the future.

Mr FRASER: I appreciate the point that you are making. The reality of governments making decisions about taxation regimes in a budget context is that governments will always, as they have regardless of which side of politics is presently occupying the Treasury benches, have to make decisions about the revenue settings and the expenditures that attach to that in each and every budget.

In a perfect world you might be in a position where you would seek to consult broadly and fully on those matters. Income tax settings are not the subject of full consultation in the lead-up to a federal budget. While it might be the case that you would prefer a situation where all taxation measures were consulted fully, the reality of framing budgets is different. We acknowledge that. We acknowledge an undertaking to the Resources Council in the past about consulting on these matters.

I would have to say that ultimately I am not sure that all the consultation in the world would have resulted in an agreement about the settings that were put in place, just as all the consultation in the world with the people of Australia would not necessarily result in an agreement about the income tax regime. I do not think on the whole that the measures undertaken by the government in this budget—whether they are the cuts to first home owner duty or indeed the changes to the royalty regimes—can be regarded as representing in any way sovereign risk. I think that they are the normal adjustments that are made by governments in putting in place revenue regimes to seek to respond to prevailing economic circumstances.

Dr FLEGG: I note that the government expects to receive \$578 million in poker machine tax in 2008-09. Can you explain why the government resisted opposition calls and took so long to cap the rollout of new poker machine licences after the government's stubborn refusal to do so 12 months ago?

Mr FRASER: I think the debate about gaming machine taxation revenue and the debate about gambling more generally is one which would benefit from a more clear analysis of the prevailing facts and circumstances—that is, Queenslanders spend less per capita on gaming machines than the

national average. Our rate of problem gambling is below that of the other states and it has fallen in the most recent survey. Our gaming machine tax take is below the rate that is achieved nationally and below the rate of many other states.

We do believe in the context of the issues around problem gambling that one problem gambler is one problem gambler too many. That is why we need to be mindful as a government, taking into account the fact that 99½ per cent of people in Queensland do not have an issue with gambling, that while, as the last survey says, 0.47 per cent are problem gamblers, we need to respond to those circumstances. That means that we took a decision about ensuring that our rate of machines in a per capita sense is in alignment with the national average. We believe that the decision that we took to not proceed with the rollout of poker machine licence operating authorities in the hotel sector and introducing a cap in the club sector is an appropriate response to ensure that gaming machine numbers per capita—one measure, if you like, of the availability of gaming—was responded to.

Also within that policy response I would point out that we made a decision about the opening hours of gaming machine operations—that is, that they will not be able to operate until 10 am. One measure is the number of machines per person. Another measure is the amount of time for which they are open. If you are going to look at the availability of gaming in the community generally I do not think that anyone agreed with the notion that at some point in time the public, the government, the parliament took a view that opening hours should come back before 10 am.

In fact, when the analysis was first undertaken, some people in the sector were surprised to find out that 30 per cent of hotels and 50 per cent of clubs were in fact opening and operating before 10 am. That is something that I do not think people at an industry level appreciated because that had grown up through the regime on a case-by-case basis, and that is why we made the decision that we did to ensure that, ultimately, the policy settings took account of the broader prevailing circumstances. In context, I would make the case to you that, given the gambling revenue to the government represents 2.6 per cent of revenue, this is not in fact a case where the government is either 'addicted' to or 'reliant' upon that revenue.

CHAIR: The time for non-government questions has expired. Treasurer, I refer to investment returns on page 94 of Budget Paper No. 2. Did material circumstances on the market change since you delivered the budget?

Mr FRASER: As I indicated in my opening remarks, I do not think anyone would describe the last 12 months as being in any way similar to the circumstances that have prevailed in the years before. As I indicated also, while it was the case that in the period around May, as the budget was being finalised, at a broader level confidence in global markets was returning, many people were seeing the formation or the groundwork of the building blocks for confidence to return. Since 3 June when the budget was delivered and, more pointedly, since the end of May when it was finalised, I do not think anyone would describe circumstances in markets in June as being anywhere indicative of a market that was in fact resuming confidence, and even overnight we have seen further evidence of that. It is in fact the case that the Australian share market recorded its worst June result in 68 years with a drop of more than seven per cent. Over the financial year 2007-08 the market as a whole dropped 16.9 per cent, which was in fact its worst result in 26 years.

Against those circumstances, the result in June did have a material impact on the investment returns that the QIC achieved. I would note in that context, however, that a useful yardstick might be the median return from super funds as reported by agencies such as SuperRatings, which indicated that that median return was in the order of negative six per cent. We believe that when it is finalised and the accounts are in fact fully closed off the investment return for the QIC will be in the order of negative 2½ per cent. In a relative sense, that is a result above what is being achieved more generally. But in anyone's language and in any description, no-one would for any minute ascribe a view that the result was in fact one that was taking the benefit of a rising share market but one that was undertaken against some very difficult circumstances.

I note in the context of the government's reporting of those investment returns that we have in fact made a decision to ensure that the volatility that is expressed through the budget's final position—that is, the estimated actual outcome that then is finalised through the report on state finances and tabled in the parliament—will in fact not be reported in that way into the future.

CHAIR: Thank you. Treasurer, according to table 9.1 in the budget papers, interest expenses at the final year of the forward estimates will be 3.2 per cent of revenue. Can you provide an explanation of the government's capacity to service this expense?

Mr FRASER: I can. At its base level, the capacity to service that expense, modest as it is, is reflected in that same table when you read the shaded line indicating the net operating balance—that is, you see a budget which is in surplus, and strongly so, over the forward four years. Taking account of not only that expense but all other expenses, we are budgeting not only for a surplus in this financial year but in fact across the forward estimates. We do that in a context of undertaking a record capital works expansion of some \$17 billion, funded as it is by a responsible and prudent amount of debt financing in a way that we believe is appropriate for the growth phase that the state of Queensland finds itself in at the moment.

Clearly if one looks at the expansion of the state's asset base and the expansion of the state's net worth, one can only conclude that in fact the level of borrowing that we are undertaking which sees, as you point out in your question, an interest expense of 1½ per cent this year is accommodating an expansion in our net worth and in our asset base and therefore is economically responsible to do. It is doing that in a way which does increase over the forward estimates as that infrastructure expansion continues, but at the end of the forward estimates it is the case that that interest expense will be 3.2 per cent. Every business, every family I know and in fact, I am sure, many people in this room looking at their mortgage expense would love to be in a position of having an interest expense of 3.2 per cent. It recognises that, just like a family starting out purchasing its first mortgage, the state of Queensland is in a growth phase.

It is important at that point in time to ensure we fund that investment, that expansion in our productive capacity of the economy and that expansion in our infrastructure in a way that ensures—and far be it for me from my perspective to be the one who has to make this case—that future generations appropriately pay for the benefit they get from long-run infrastructure which has an economic life beyond the short term and which denies the argument that suggests that, just like you should not have to purchase in full your first house with cash, all infrastructure spending to the benefit of future generations should also not be purchased in full in cash immediately and that that form of financing is in fact more economically appropriate. In the shortest terms possible, if you go to the end of the forward estimates represented in table 9.1 which you referred to you can see there that the revenues, taking away all the zeros and using an analogy, becomes an annual income of \$40,300 and an interest expense of \$1,300. Passing the kitchen table budget test, I think everyone would agree that that is a comfortable position to be in.

CHAIR: Thank you, Treasurer.

Mrs SMITH: Treasurer, on page 202 of Budget Paper No. 2 in the section on sensitivity and expenditure risks there is mention of the obvious issue of future interest rate movement. Can you advise how these risks are managed?

Mr FRASER: Obviously in the context of financing and infrastructure expansion such as that which we have been talking about, it is important that we have in place the regime and the approach to ensure that our exposure to volatility in financial markets is well managed. I would put very strongly the case to the committee today, and indeed through the committee and the parliament more broadly, that this is a risk exposure that has been well managed, in my view, by the Queensland Treasury Corporation and the folk who have been at the forefront of the leadership of that organisation for generations—for a lot longer than anyone at this table has been in fact in the service of the public of Queensland and almost longer than some people have been walking on the face of the earth. It has done that under different governments at different times in a way which takes account of the fact that those exposures are ones which need to be managed.

It does that through a number of ways—by ensuring that the financing task is in fact spread evenly in rough terms across forward years, through forward funding, through ensuring that it maintains a very strong reserve of liquidity to ensure that should markets change rapidly the QTC is able to respond to that, and being able to ensure that it can utilise the timing of changes on the market to its benefit. It does that in a way that recognises that it also has shorter term investments, so there is an ability to ensure that those shorter term investments as well as the debt raisings can be undertaken in a way that recognises that interest rate movements obviously have not only a broader longer term effect but also an immediate and shorter term ability to gain the benefit of that.

What we have seen over recent months and indeed over the last year is in fact, in a market which has been rocked with the fallout from what has occurred on global financial markets and the credit crunch, a flight to quality. We have seen people seeking to secure investments through QTC because, as a subsovereign AAA rated paper, it is a very attractive investment product in an environment where some of the world's major banks are not necessarily the safest bet that they used to be. So what we have seen, some might say perversely, over the last 12 months is in fact the ability of QTC to make arrangements in the context of that level of confidence moving out of the global market to take the benefit of the fact that, as it is a subsovereign lender, backed as it is by a guarantee all the way to the parliament of Queensland save for Government House, people have a view that that becomes a very attractive investment in the sort of environment that we are operating in.

Mrs SMITH: Thank you, Treasurer. I also refer you to table 9.1 in the budget papers.

Mr FRASER: It is popular.

Mrs SMITH: I refer to the interest expense detailed within that table, combined with the comments that the Liberal shadow Treasurer has made about borrowing for infrastructure. What does the Liberal Lord Mayor say about borrowing for infrastructure?

Mr FRASER: Thank you for the question and for the opportunity to point to what I believe are in fact the principles which underpin the once-proud history of the Liberal Party in Queensland, and that is an approach to economic policy which has at its core an understanding of economics and an ability to

deny short-termism with a focus on the longer term view. What we saw in the Liberal Lord Mayor's budget was a commitment to undertake a responsible level of financing for infrastructure expansion. What the Liberal Lord Mayor of Brisbane is doing in his own budget is exactly in accordance with the philosophy that underpins the expansion being financed through an appropriate level of debt financing by the Queensland government in our budget. While the Liberal Lord Mayor identified the fact that he believes it is appropriate to spread the cost of infrastructure expansion across future generations, that is exactly what we are doing within the Queensland budget.

We are doing that in a context where, as ever, the asset expansion and the net worth of the state are expanding, and therefore that is the first hallmark of the budget being framed in what can only be described as an economically responsible manner in accordance with the Charter of Social and Fiscal Responsibility that was legislated by the government. It does that in a context also where we have seen since the budget Standard and Poor's affirm the AAA credit rating. We also look forward to the assessment of Moody's in due course which generally takes a bit longer. What we saw the Lord Mayor say in his budget was—

We have to take our vital infrastructure projects and anti-congestion programs to another level because doing nothing would allow Brisbane to grind to a halt. It would be an affront to the people who have put their trust in us to find solutions.

He therefore took the view that it was appropriate to debt finance that infrastructure expansion which delivers a benefit to not only this generation but also future generations. He equally, I would have to point out in that context, is operating from a position where he is taking the benefit of the \$875 million in compensation that we are providing to the Brisbane City Council for its water asset ownership. The debt that was existing on the Brisbane City Council's books was substantially wiped by that compensation arrangement. Therefore, just as the state of Queensland is seeking to expand the infrastructure provision that we have at this point in time, so, too, is the Liberal Lord Mayor. It used to be the case in this state that it was the Liberal Party that was the author of sound economic policy.

Mrs SMITH: Thank you.

Mr WENDT: Good morning, Treasurer. I have been looking at the departmental performance statements in book 3 of the Service Delivery Statements. I was particularly keen on page 3-256 to note the recent announcement of the phase-out of canteens and liquor licences held by Queensland Indigenous councils as part of a range of reforms to reduce alcohol misuse in remote Indigenous communities. Treasurer, what funds are being provided in support of the divestment of these licences?

Mr FRASER: Thank you for the question. It is an important part of the government's broader policy agenda, and obviously within the portfolio of Queensland Treasury we are not only responsible for the financing of this initiative but also principally responsible through the stewardship of liquor regulation through the Liquor Licensing Division in the past. What we see is a conjoint effort between the Commonwealth and the state for a \$100 million package, \$66 million of which is contributed by the state and \$44 million of which is contributed by the federal government, over the next four years which is aimed at ensuring we tackle the blight of alcohol abuse in Indigenous communities.

It is one that focused not just on the removal of canteens but the false profits of Indigenous councils that have been secured out of those canteens, putting a close on a chapter that has seen councils taking the profits for running those canteens but not taking full account of the social cost of the outcomes of the way in which those canteens have been run. We see a commitment by government of some \$14 million to replace the revenue stream that has been secured by councils from the operation of those canteens in the past and to ensure that that money goes towards providing the sorts of community and social services that are in such desperate requirement in many of those communities in many ways because of the effects of alcohol abuse provided, as it has been in the past, by those canteens which have been owned and run by and on behalf of the Indigenous councils.

So what we have seen and what we plan to do over the next 12 months is to put in place a long-stated policy goal of ensuring a divestment of those canteen licences from Indigenous councils. That means that already, as of 1 July, the Mornington Island and Napranum canteen licences have lapsed. What we are doing is not only replacing the revenue but also ensuring that we are providing the sort of health services that are required, not the least of which relate to health and detoxification and other social support services into those communities.

From 1 November, the Lockhart River, Kowanyama and Aurukun licences will lapse. The Palm Island and Pormpuraaw licences are due to lapse on 1 July 2008. Then Bamaga and Umagico in the northern peninsula area will lapse on 31 December 2008. That is being done in a staged way to ensure that we can provide the resources and the services that are required to make sure that, to the extent that there are problems with addiction and problems that are associated with treating that addiction, those services can be in place. It is a hallmark, I think, of the cooperation between the two levels of government to address what can only be described as a blight on our history as a nation.

Mr WENDT: On a different tack, particularly government owned assets, I refer to page 51 of Budget Paper No. 2. What assets are government owned corporations planning to build over the forward estimates to support the growth in Queensland?

Mr FRASER: I thank you for the question and for the sense in which it points to, in fact, the true debate about the future of our economic expansion in Queensland, and that is not only about the infrastructure that we are financing both on budget—predominantly social infrastructure—but also the expansion of economic infrastructure around the state of Queensland.

What we see this year is a \$2 billion expansion in capital works by QR, recognising that at this point in our history there has never been a greater requirement or a greater need for QR to be within the government's ownership and, in fact, to be undertaking an expansion of the economic infrastructure that is supporting our resources boom. That expansion relates to things such as the Jilalan yard upgrade, which is funded to the tune of \$400 million in this budget and to other projects such as the \$107 million which is allocated across the forward estimates in this budget for the introduction of driver-activated points on the Mount Isa rail line into the north-west minerals province. What that particular project will do is, in fact, save two hours of the train journey between Mount Isa and the Townsville port, which boosts the export efficiency of that key corridor out of the north-west minerals province.

Along with the boom that is occurring in the coal sector, we are also seeing elevated prices in base metals and precious metals, which are mined predominantly in Queensland in the north-west minerals province. We are also, of course, witnessing the expansion of the duplication of the Gateway Bridge and the upgrade to the Gateway Motorway, which people who are regular users of the airport, or even travellers along Kingsford Smith Drive, can see the evidence of. That is being undertaken obviously by QML. We are undertaking those expansions while also ensuring that we not only have the capacity to rail the significant amount of resources which are being mined in the state at the moment but also ensuring that they can be exported through the port. That is why last year we opened the X21—the expansion to 21 million tonnes per annum at the Abbot Point Coal Terminal—and then quickly moved to provide the support, authorisation and financing for the expansion to 225 million tonnes per annum at the Abbot Point Coal Terminal.

The government in the budget announced, through the Ports Corporation of Queensland, the doubling of capacity at the Abbot Point Coal Terminal to 50 million tonnes per annum at a total cost of some \$818 million. The cost of that project this year—both from 21 to 25 and 25 to 50—is some \$320 million. But on any measure, taking a snapshot across roadways, rail expansion and port expansion, it is an expansion in our economic infrastructure that puts other states in the shade.

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

Dr FLEGG: Treasurer, last year in this hearing we raised the issue of the petrol rebate to Queensland motorists. I notice in your response to question on notice No. 6, looking at diesel—and obviously diesel is important in Queensland—that Brisbane motorists were paying only 4.7c a litre less for diesel than Melbourne motorists were paying. That is only half the rebate being passed on to the users of diesel in Queensland. We raised this issue last year. Why are Queenslanders still not getting the fuel rebate?

Mr FRASER: As you know, subsequent to the deliberations through the budget last year, the government commissioned Bill Pincus QC to undertake the commission of inquiry into the Fuel Subsidy Scheme where he, in fact, identified the gap between the provision of the subsidy to the industry and what was being enjoyed by Queensland motorists. His recommendation, however, was that the government consider abolishing the scheme, which we responded to on the day that we received it, and that was that we did not think that that was appropriate and nor was it the policy of the government and therefore we responded appropriately and that is that the scheme would stay in place.

I would have to say it is a policy challenge of immense proportions to be able to seek to find a way to pass on in full the subsidy. I do not think it is putting too fine a point on it—and I recall that you were an original member of the Impact of Petrol Pricing Select Committee at the time, but—

Dr FLEGG: No.

Mr FRASER: For a brief period, as I recall.

Dr FLEGG: I do not think so.

Mr FRASER: Anyway, we can sort that out at another date. Obviously, as it is clear from an assessment of both that report and more generally, the ability to have the fuel industry—the oil industry—pass on the subsidy in full is one which is a diabolical policy challenge.

What the answer to the question on notice, however, points to is a circumstance which has long been commented on by the ACCC and other fuel industry analysts and that is that the Melbourne market is structurally different in prevailing terms to other fuel markets in Australia, just as the Darwin market is also different, to the disadvantage of consumers. The Melbourne market is highly competitive and therefore as a benchmark that needs to be taken into account in the assessment of whether or not the subsidy is being passed on in full.

As you know, the government has responded to the challenges of being able to pass on the fuel subsidy in full by looking to provide that subsidy at the point of sale through a mechanism which is proposed at this point in time—something that we are working on at the moment with industry and

stakeholder groups in looking to utilise, for example, a Queensland drivers licence, to be able to pass on that subsidy in full to motorists at the point of sale so there can be no question about it. But as the ACCC has remarked in the past, and certainly as other analysts have remarked in the past, there needs to be an appreciation also of the fact that Melbourne is a structurally different market from other cities in Australia. If you look at the benchmark to Sydney over time, then it is clear that the difference is more in alignment with the full 8.354c per litre subsidy.

Dr FLEGG: I notice that your petrol commissioner has indicated that his view of the scheme where Queenslanders would have to present their licences to swipe when they bought petrol would not result in Queenslanders getting the full subsidy. So why should Queenslanders have confidence that this is the answer?

Mr FRASER: I also note, with respect, that Commissioner Pincus proposed that the scheme be abolished. That is not a view that the government shares. That was a view that was communicated when we received the report. So while I have seen the comments that subsequently Mr Pincus has made about the government's proposals to address the challenge of ensuring that the subsidy is passed on, his second proposal was for a price setting model conducted by the commission, from memory, in three zones around Queensland which, on our analysis—and I have to say an analysis shared by both the Motor Trades Association and the RACQ—would be equally fraught in determining what is a benchmark price.

His proposal was that, to an extent that an arbitrary—which ultimately would have to be informed, I acknowledge, but ultimately arbitrary—baseline price of petrol in any market in any region prevailed to the extent that a retailer was providing petrol or diesel above or below that margin, that would mean that the extent of the subsidy would not be passed on in full. Therefore, it seems to me as a matter of logic that while that would seek to provide a discipline into the retail of petrol, in many instances that would result, especially in uncompetitive markets and more particularly I would make the case in markets in smaller communities and in western communities where they do not get the retail competition to the extent that fuel was being sold—

Dr FLEGG: That is western suburbs of Brisbane.

Mr FRASER:—being sold above that baseline price, then in fact the losers out of that scenario proposed by Commissioner Pincus's inquiry would in fact have been the motorists of Queensland and that is that they would not be being passed on the full subsidy, because it would have been clawed back because the retailers were proposing to sell it at a price above that benchmark.

So his option 1 was abolish it. We did not agree. Option 2 was a baseline approach, which had the effect of denying a component of the subsidy to the motorists of Queensland which we frankly felt did not meet the policy goal but also was unworkable. That was a view that was shared by stakeholders. Therefore, what we proposed to do was, if you look at this policy over time—and I think the member for Gregory and the member for Murrumba have been through all the iterations of the Fuel Subsidy Scheme under different governments—it started at a wholesale level, it was moved to the retailer, and what we are proposing finally is that the subsidy in fact be provided through the person who it is aimed at and that is the consumer in Queensland. It will be the case that when Queenslanders now go to the petrol station through the point of sale mechanism—drivers licence or otherwise—what they will be able to see is the full subsidy deducted at that point of sale, no question about it.

Dr FLEGG: I notice in answer to question on notice No. 6 you indicated you had no idea how many Queenslanders would be able or would be willing to present their drivers licence when they buy petrol. You have indicated that you did not think it would be significant, and the opposition would disagree with you on that. In the event that the opposition is right and there is a significant saving in the expenditure on fuel subsidy, you have indicated that that would be returned to motorists. Can you tell the committee how you will return any savings to motorists? Are you going to increase the per litre subsidy? What mechanism will you use to return those savings to motorists?

Mr FRASER: As I indicated in, I think, the answer to question on notice 7, not 6, there is in fact no way of knowing how many people are driving in Queensland with an interstate licence or not driving with their licence on them. We do not have Checkpoint Charlie at the New South Wales border.

Dr FLEGG: Some people do not want to have their purchasing tracked. They do not want to present it.

Mr FRASER: Some people might put a view that there should a Checkpoint Charlie at the Tweed River—I would not be one of those—but ultimately there is no Big Brother way of knowing exactly who is having illicit thoughts or who is not driving around with their drivers licence in their pocket or who has not taken the opportunity to honour their obligations to have a drivers licence in the state in which they are resident. The member for Gregory, as a former transport minister, would know this policy challenge well.

In that context, one of the outcomes of the option of utilising a drivers licence is it would financially incentivise one of the policy challenges that governments have faced and certainly the member for Gregory faced in his time as transport minister, which is the dangers of unlicensed driving. In economic terms that would be an externality from the introduction of a drivers licence scheme. While there is no

way of knowing that and I am not sure that you are proposing a way of knowing that, our view is that it would not be a material result because of a number of factors. One is that it incentivises people to get a Queensland drivers licence. Secondly, in a commercial sense the bulk end user scheme still exists so that companies that purchase in bulk would still be operating through the method that exists in the delivery of the Fuel Subsidy Scheme.

As I said in parliament on 3 June in response to a question from yourself or another member of the opposition—yourself, if my memory serves me well—if over time there is any evidence that there is a saving to be achieved, the starting point of the government's response would most definitely be that this is an approach that we have taken of trying to pass on, in full, the full amount of money that we are budgeting to deliver the subsidy. We believe that this mechanism will enable us to do that. To the extent that there is, on the evidence that prevails post the introduction of the scheme, a result which produces the scenario that you are surmising—which is not necessarily the case—as I said at that time we would seek to return that to motorists. That could be done in a number of ways. In response to a scenario that we do not think would prevail, I am not going to put forward a view about a hypothetical.

Dr FLEGG: Thank you, Treasurer. Last year in this same committee I asked your predecessor about the treatment of public sector superannuation funds being held within the general government sector, which is a treatment that the opposition does not necessarily think is the best way of handling that. Your predecessor vehemently defended the regime of holding those assets on the general government sector and putting the returns from them on the bottom line of the budget. At that time, of course, returns were strongly positive and favoured the government's bottom line, and I note that you foreshadowed you would have an even deeper deficit today. Can you understand why Queenslanders would be fairly cynical that you have suddenly seen the light and changed your system now that returns are negative and it has plunged your budget very deeply into deficit?

Mr FRASER: I think there are a couple of important points to make. One is to be clear about what the government has done and what the government is obliged to do under the prevailing accounting standards and also in accordance with the uniform presentation framework or UPF, which is determined through the Australian Bureau of Statistics, in presenting the government and the budget on a GFS basis. We are not able to not hold the superannuation assets and liabilities off the budget, because that would be to deny that we own them. The change that we have made, to be clear, is not to suggest that we do not have a superannuation expense, which we do; it is not to suggest that we do not have a superannuation revenue stream, which we do. The reality is that we cannot deny that we own those assets or liabilities. Your question proposed something that would be in contravention of the accounting standards that prevail.

What we have done is to recognise that there is a volatility to those returns. So we have swapped the volatility of the asset into the Queensland Treasury Corporation to ensure that the asset that is held to represent those assets and liabilities pays a steady rate of return. We have not removed the asset and liability. In fact, we are not able legally to do so, nor would we seek to do so, as you propose. What we have done is swap the volatility. That provides for a more legible result to the budget bottom line, but it does not stop the fact that year on year—as was the experience in a past year—there will be a volatility to those superannuation returns. However, it ensures that the result of the previous year's budget, which is the only way in which that volatility is expressed through the reporting framework in the past, is removed and, as you will note in the presentation of table 9.1 in the budget papers, the return of a more even rate of return from the superannuation assets is appropriately factored in as an almost commensurate superannuation expense.

Dr FLEGG: Treasurer, I note that Queensland GOCs are the most heavily debt burdened GOCs in the country. In fact, I have prepared some graphs looking at gearing both from a borrowings and a liability point of view and doing the interstate comparison. It shows that Queensland GOCs basically have double the gearing and, in some cases, three or four times the gearing of GOCs in the other states. Can you tell the committee why Queensland GOCs are so different and can bear such a greatly increased load of borrowings?

CHAIR: Member for Moggill, are you tabling those? Thank you.

Mr FRASER: The answer to the question lies predominantly in the nature of the GOCs that the Queensland government has and continues to own and, more to the point, has an intention of continuing to own into the future. If you look at entities such as the new bulk water authorities that are operating in a very regulated environment, then a capital structure that is appropriate for an entity such as, for instance, the Queensland Bulk Water Supply Authority or, indeed, the Queensland Bulk Water Transport Authority takes account of the fact that their revenue stream, in a regulated environment, is very predictable. Therefore, the need for operating capital in the capital structure that exists within those entities is not the same as an entity that is operating in a much more fluid or riskier operating environment. Through Queensland Motorways Limited, QML, we have holdings that are predominantly toll revenues and, therefore, have a revenue stream that is considered by analysts and the market—and in reality is—to be a predictable cash flow return. That means that we are able to have capital structures

which reflect that. Other states predominantly do not own the roadways, they do not own their port structures, they do not own QR and they do not own the range of assets that we continue to maintain public ownership of in Queensland.

Obviously we also have entities like Powerlink and Energex, the distribution and transmission systems which operate equally in a regulated environment and, in fact, have their revenue flows and capital programs determined by the regulatory authority. Within QR my remarks probably particularly pertain to the below rail business, which is also regulated. The answer lies in the nature of the GOCs that we own. The fact is that we do own more and of a different type than other states and they operate in a different environment, most particularly in a regulated environment.

I would also point out that we have full reviews of GOC capital structures and creditworthiness every three years and annually by the QTC. That happens internally every year. We also use an external benchmark to make sure that the capital structures of our GOCs are creditworthy and that those structures take account of the fact that businesses such as Powerlink or Energex are very different to Golden Casket, to use an example from the past.

Dr FLEGG: In previous questions, particularly government questions, when you refer to debt and borrowings within the government I notice your government's enthusiasm for using debt figures out of the general government sector. However, given this level of indebtedness in the GOC sector, is it not the case that you have actually housed debt in the GOC sector? I do not necessarily accept all the things that you said in your previous statement, because New South Wales has a large GOC sector and has things such as energy generation that are much the same as Queensland's, and yet it has geared them significantly less. Is this not just your attempt to disguise the extent of borrowings and debt in your government?

Mr FRASER: I have to say that I find it most remarkable that you have a view that when setting a budget framework and within the government owned corporation framework there is an ability, as you say, to 'house debt'. I am not sure to what end that would be. I am not sure that it would, in fact, be possible and I am entirely sure that it would not be appropriate. The capital structures that exist within our government owned corporations and the sector as a whole, which you are talking about through the PNFC sector, as I said in my previous answer reflects the nature of the businesses that are owned within the PNFC sector. It is about the extent that they operate in regulated environments, whether it is QR below rail or Powerlink's transmission business. They have capital structures that take account of the fact that their revenue is known to be on the go forward and that they are operating outside of an environment which would see significant risk visited upon them that would require a different level of equity or capital within those businesses.

CHAIR: The time for non-government members' questions has expired. Member for Burleigh?

Mrs SMITH: Treasurer, I refer to the distribution of GST funds and ask: what are the ramifications of Queensland becoming a net donor state to the GST pool?

Mr FRASER: Thank you for the question. It is one which was touched on earlier by opposition members. Obviously the reality of the situation in which we find ourselves at the moment is that Queensland is becoming a victim of our success to the extent that we have moved from being a developing state to a well-developed state. With population uplift, with a growing and expanding economy and a success story that I referred to in my opening remarks following 12 years of expansion, the capacity of our economy and the ability of our economy to generate those revenues means that in the Commonwealth Grants Commission assessment—much like the child asked to leave home or no longer be umbilically connected to mum's and dad's wallet—we have crossed a threshold.

While this might be something that, as a state, we can take a certain amount of pride in, obviously it has a direct fiscal ramification, which is that for the first time we have become a net donor. Over the forward estimates of the budget it means we will take a hit in the order of \$1 billion—this financial year it is \$150 million—if the relativities remain as they are. Having dipped below the magic 'one' of the threshold—we are down at 0.96—if we continue to decline in the way that we are, and considering that there is a five-year rolling effect in the Commonwealth Grants Commission determination, we will see a hit to the budget over time of \$1.8 billion.

Obviously any government and any Treasurer would prefer to be in a position where that extra money was being provided, but it reflects the fact that, as a state, we have authored a significant amount of economic success in recent years and, therefore, the Grants Commission process operates to our disbenefit, as it has operated to our benefit in the years prevailing. Unlike the policy-for-rent approach of another government that I could refer to but will not name in the interests of Commonwealth-State financial harmony, just because we have become a net donor does not mean that we are going to decry in the first instance a policy underpinning that has existed in the Federation since its construct and has served to ensure that the Federation as a whole is financed appropriately.

Mr WELLS: I ask the Treasurer: what steps has the government taken in the budget to address climate change?

Mr FRASER: I thank the member for Murrumba for his question. As a former environment minister and as someone with an approach to public policy analysis and authorship that has always responded to emerging trends, I am sure he shares the view that not only is addressing climate change the single biggest environmental challenge that we face as a government and more particularly as a community, but it also happens to be the single biggest economic challenge that we face as well. It provides economic challenges at the macro level as equally as it provides policy challenges at the level of the individual or the household.

Chief amongst the responses and initiatives that were funded in this budget is the new ClimateSmart Home Service, which is funded through the dividend that has been provided from the sale of Enertrade and wind and gas assets in other states of Australia. The Climate Change Fund dividend is allowing us to deliver a new \$60 million program which will provide assistance to the household at the household level. It builds upon the success of the Home WaterWise Service that was provided in the south-east corner to meet the challenges of demand management in water consumption at the residential level.

By building upon that model to deliver a large amount of value, in excess of \$200, for a \$50 fee, households will be able to access the following benefits which will achieve savings in reduce greenhouse gas emissions and therefore their energy costs—that is, the provision of 15 compact fluorescent light bulbs, a water efficient and therefore energy efficient shower rose and also an audit of the household to ensure that on average households will be able to achieve savings of up to 3.6 tonnes of greenhouse gas emissions per year and potentially save \$240 on their annual electricity and water bills.

What that means is that in a climate of rising costs and having to deal with climate change, at the individual household level that rebate scheme will build upon the success of the Home WaterWise Service and ensure that a level of consciousness is there about energy use. By retro-fitting those components in the household we will ensure that there is an ability for those households to respond to the economic effects at the household level of climate change. I know that many people regard the Home WaterWise Service as a benchmark in new delivery to assistance at the household level, and this approach using the benefit of the Climate Change Fund dividend builds on that success.

Mr WELLS: With respect to the state's AAA rating, have any ratings agencies reassessed the AAA rating since the budget was brought down?

Mr FRASER: They have. Standard and Poor's have released an assessment which affirms the AAA credit rating and which points to the fact that the government has long had the benefit of a AAA credit rating. They said in assessing the budget on 3 June, 'The budget announced today for the state of Queensland is consistent with the AAA rating and stable outlook already assigned to the state.' Ultimately, the assessment of Standard and Poor's and the benefit of maintaining that AAA credit rating in a time of infrastructure expansion is one that is well known and appreciated by members of the committee.

We do that in a context, however, where the debate these days is moving toward what I think is a fairly rudimentary and base level of questioning about the way in which we are financing that infrastructure expansion which begins to draw a line in the sand about people's views about the capacity of the Queensland government and its policy approach as to whether or not we should be in a phase of state building or shutting down the show. We believe that we are appropriately at a point in time where we should be in an expansion phase. To that end, not only have Standard and Poor's affirmed our AAA credit rating but other people have made comments about the fact that ultimately they believe that the government is on the right fiscal path and the undertakings of the government are in fact economically responsible in a long-term view.

David Liddy, the CEO of the Bank of Queensland, has been quoted as saying—

We've got a great rating in terms of the state, a great ability to access debt markets as a state ... let's invest more for infrastructure for the future, for the next generation's benefit.

Those are remarks which I endorse. Similarly, John Mulcahy from Suncorp has been quoted as saying—

Given the recent and projected growth of Queensland's economy and population, it is absolutely necessary and appropriate to invest in the state's transport, water, energy and health infrastructure now so future governments can continue to meet the needs of all Queenslanders.

Steve Greenwood from the Property Council of Australia most pointedly has said—

The property industry has argued strongly and consistently for an increase in both infrastructure delivery and borrowings to fund it. Many will argue long and loud that borrowing for infrastructure is bad, but they are wrong. There are reams of research that suggest that borrowing money delivers the best outcome for the community, the economy, the jobs market and the State Budget.

He was also quoted as saying that any stance to the contrary would be 'irresponsible'. I agree with those commentators who I think are making a more informed contribution to the economic debate that is prevailing in our state at the moment. I noted with some mirth the notion that there is in fact such a thing as good debt and bad debt according to the opposition, and I look forward to the opposition's *Seinfeld* explanation of just exactly how that works.

CHAIR: Treasurer, would you please outline the increases to health and education in this budget relative to GST receipts from the Commonwealth?

Mr FRASER: One of the things that you generally confront in talking to people about the nature of any request for future expansion of services or infrastructure is a somewhat I must say romantic view about the nature of the GST receipts that our state or in fact any state receives—that is, that somehow the GST is a windfall when in fact, as we know, it replaced previous financial assistance grants and, given the nature of the previous financial arrangements underpinning the Federation, it was required in its introduction to have budget balancing assistance put in place to take account of the fact that the GST was not sufficient to replace that in full in the first instance.

To put it in context, however, this year we will receive as a government around \$8.7 billion in GST revenue. Our health spending will be \$8.3 billion. Beyond that, our education spending will be \$6 billion. So at priority one, which has been and always will be priority one for our government, is funding the health system—with a \$1.2 billion boost to health funding this financial year—at \$8.3 billion compared to \$8.7 billion in GST. So at priority one we are just about done. When you add priority two, which is education, \$6 billion, then we are well over \$14 billion and \$8.7 billion in GST revenue is in the rear-vision mirror and in the rear-vision mirror by a long way.

The reality is that our government places its first priority on the provision of the healthcare system to the people of Queensland that takes account of an ageing population, increasing levels of chronic disease and rising medical technology costs. That means that financing healthcare service provision will always be a challenge for government but one which we are directing as our first priority and in fact always have.

I am often surprised by the extent to which people in the community do not have an appreciation that the GST revenue that this state or in fact any other state receives does not provide the sort of quantum of funds in a relative sense that people might have first presumed. As we provide those funds to those two key, core government priorities of health and education service delivery, we are mindful of the fact also that as we increase our spend on health in particular—going back to some earlier remarks about the relativity that we are now experiencing of being a net donor into the GST pool—that is a scenario that will only increase over time. In no sense, however, does that make us shy away from our view that ultimately providing those extra funds into healthcare service delivery in particular has and will be our main priority.

Mrs SMITH: Treasurer, as mentioned earlier, housing affordability is a major concern for the majority of Queensland families. What is the median price for first homebuyers and specifically what measures has the government taken to keep the housing dream alive for Queenslanders?

Mr FRASER: I thank the member for the question because it goes to what is the central core and the centrepiece of the budget that the government handed down on 3 June. The median price for first homebuyers at the moment is \$350,000. As of two weeks ago, 1 July, the first home owner duty exemption was raised to \$350,000—that is, at the median price, currently \$350,000, as of today no person purchasing their first home, flat, apartment or otherwise under the median price, under \$350,000, will pay one cent in stamp duty. They will also not pay one cent in mortgage duty because mortgage duty was abolished in full ahead of schedule on 1 July at a cost of \$100 million. A tax that previously raised some \$439 million annually has been abolished in full under the program agreed to by the government.

What that means as of today is that for any couple or single person in Queensland seeking to buy their first home under the median price will not pay a cent in stamp duty nor a cent in mortgage duty. No-one purchasing their first, second, third, fourth or fifth home or their second, third, fourth or fifth business will pay a cent in mortgage duty because it has been abolished in full. But we recognise that the property market is rising and we recognise that over time there has been a structural shift in the property market. That is why we resolved as of 1 September, when the systems had been put in place, to lift the first home owner duty exemption all the way to \$500,000. So an average mortgage, with a purchase price up to \$500,000, quantifies a saving to a couple or a single person in Queensland seeking to buy their first home, their first mortgage, anywhere in Queensland—whether it be in the growth suburbs out the back of Robina or the growth suburbs to the west of Ipswich, or in North Lakes or indeed in Fitzgibbon in the future—of around \$9,800, as they will pay not one cent in stamp duty and not one cent in mortgage duty.

It recognises the fact that having done the hard yards of putting together a deposit those people are able to take the full benefit of the \$7,000 first home owner grant and not see a swap between the receipt of that grant and a stamp duty liability. It means that that \$7,000 can go towards the other costs that are incurred and that inevitably visit upon people starting out in their first home. It also means, frankly, that for those who have had their kids move back into their home to live with them and to meet the challenges that go with that particular scenario the government is providing every assistance to ensure that that is no longer the case.

Mrs SMITH: Treasurer, I refer you to table 5.10 in Budget Paper No. 2. Can you confirm that Queensland met its obligations to abolish certain state taxes under the intergovernmental agreement with the abolition of the debits tax on 1 July 2005?

Mr FRASER: I can, I will and I have in the past. There is, however, a prevailing view—it is probably more out of *The Castle* than it is out of *Seinfeld*—that the GST is a magic pot which means that every single state tax was meant to be abolished or in fact should be abolished. It is a mythology that is perpetuated by people who I think are either doing it for their own base political purposes, which I suppose one could appreciate, or in fact because they genuinely hold what can only be described as a wrong view.

Many people will remember the history of the GST introduction. It was first proposed by the former Howard government to include food in its base and therefore had a wider remit of tax abolitions in its first iteration than was the case when food was removed. That is a simple matter of logic and mathematics. But the program of GST introduction proposed in the first instance the abolition of bed taxes, which never applied in Queensland. It proposed to abolish financial institutions duty—again a tax that did not exist in the first place in Queensland. It proposed to abolish stamp duty on quoted marketable securities, which the Queensland government duly did on 1 July 2001, and it proposed the abolition of debits tax, which the Queensland government duly did on 1 July 2005. That was the letter of the agreement to a ‘t’ in the introduction of the GST.

We undertook those obligations as a government, as a state, in full as of 1 July. What we have since done, however, is agree to a further program above and beyond the nature of the first agreement that was in place at the time of the GST introduction. That has seen us undertake the removal of lease duty from January 2006, credit business duty from January 2006, hire duty from January 2007, duty on unquoted marketable securities to complement the duty on quoted market securities from January 2007 and, as I outlined in the budget, ahead of schedule, mortgage duty from 1 July this year.

The abolition of those taxes has been to the benefit of Queensland taxpayers in the proportion of \$439 million in mortgage duty, and at this point in time the quantification of that amount of tax reform is in fact \$840 million. That is, without that program of tax abolitions there would be another \$840 million available to the government, to the parliament, to appropriate to service delivery at this time. On anyone’s measure, a tax abolition schedule of \$840 million, with some to go, I think is a substantial amount of tax reform.

CHAIR: Thank you, Treasurer. That ends the time allocated for government questions. The committee will now break for morning tea. The hearing will resume at precisely 10.15 am.

Proceedings suspended from 10.01 am to 10.15 am

CHAIR: The committee will now continue its examination of the Treasury portfolio. I welcome Mr Mike Horan, the member for Toowoomba South. I call the member for Moggill.

Dr FLEGG: Treasurer, in relation to your government’s proposed public-private partnerships, I note again that one of the consortiums has withdrawn from the public-private partnership to build seven schools in Queensland. This ought to be a simple, relatively small, straightforward PPP. Your government has been talking about PPPs for years and has only been able to deliver on one or two of those. Why have you tried to force this bureaucratic hybrid sort of PPP—the PPP you have when you don’t have a PPP—on to the private sector? What is the problem that the government just cannot deliver on its PPPs?

Mr FRASER: In the first instance, I would be fascinated to know whether you are asking that question as a supporter of the PPP or as an opponent. I am sure that both the business community and the community more generally—but in particular the business community—would love to know the policy position being put forward by the Liberal Party on this one.

Let me say this about the nature of the PPP that is being put forward for the construction of schools: in a credit environment such as this where spreads have widened so much that it is the case, and analysts will say, that the supported debt model is in fact the bridge to make sure that a private mechanism for delivering this infrastructure can be achieved, if it was in fact proposed as a vanilla PPP, to use a term, it would not in fact be economic, in our view. So this was in fact about ensuring that the PPP should stay on foot.

I find it absolutely remarkable, however, that in the last parliament there was a debate when the member for Surfers Paradise, who serendipitously is on the committee today as the shadow education minister, stood up in the parliament and introduced amendments to ensure that through the public provision of education there would be a capacity for private profit to be secured to shareholders—in the context I think at the time of a proposal by ABC Learning. Down the track, when we propose not the provision of education services but the provision of the buildings in which the public education is provided, the Liberal Party of this state now opposes private sector involvement and in fact voted against it in the parliament.

Therefore, before you seek to provide a critique of the finer points of our PPP model, which seeks to take recognition of the prevailing circumstances on credit markets, I would provide the humble suggestion to the Liberal Party—before it is in fact taken over holus-bolus, including all previous policy positions, by the National Party—that, just on this one issue and perhaps on a few other economic matters, you might put forward a view about whether in fact you are for it or agin it. It is a pretty simple proposition.

Nevertheless, leaving that all to one side—and far be it from us as a Labor government to have to be the defenders of the ability of the private sector to provide infrastructure in an efficient way—I would make the case, as I have seen the reports that no doubt you are referring to, that the supported debt model is of course one which financing partners in a consortia will find challenging but they will equally recognise that they are operating in a challenging credit environment at the moment. Secondly, to the extent that the sources quoted in the article suggest that it is because of strong competition, I think it in fact makes the case that people are keen to participate, rather than it being something that people are not keen to participate in.

Dr FLEGG: I am not sure that I gathered an answer out of that. Just on the same subject—and this is an estimates committee where we are actually questioning you and the budget; you are not questioning us—this type of hybrid PPP to build schools is essentially risk free. That is, they build the school and lease it back to the government so it is essentially risk free, and the cost, particularly of funds, to the private sector is considerably more than it is to the government. Can you explain where the savings to the government come from by using that model, rather than the government building its own government schools?

Mr FRASER: I am not sure I would describe the approach as being risk free, as you suggest. Perhaps if that is the conclusion that you hold then it is wise that the Liberal Party does not have—

Dr FLEGG: The government is not going to pay the rent?

Mr FRASER:—a concluded view about whether or not it supports PPPs for the provision of government buildings. But the risk that is to be managed obviously is, in the first instance, a construction risk. In the second instance, the efficiencies that are sought to be gained are in the maintenance of the building, the embedded efficiencies that might be achieved out of government building design, and those are innovations that we would seek to secure out of this proposal.

It is a benchmark for us in a task that we believe government undertakes well at this point in time, with a strong track record of delivery, but far be it from us to suggest that it is not appropriate for the government to seek to benchmark its own infrastructure delivery against the private sector, and that is why we are going ahead with the model. As you noted in your question which I provided remarks upon in my previous answer, the provision of credit finance is a tougher task, in an environment where credit margins have widened, for the private sector than it is for the government, and that is why the supported debt model is being proposed to replace the post construction debt financing task with government supported debt. It is not a 100 per cent replacement; it is 72 per cent. Therefore, that margin lies above that.

I would point out, however, that I do acknowledge that this is an estimates committee in which the government of the day is seeking to be accountable. I am sure you are not putting forward a new proposition that oppositions also do not have to be accountable or that oppositions do not in fact have to have policy positions. I know it is a path that has been well worn by the opposition in recent years—that they seek to have no policy positions on a whole range of fronts. I can only provide every encouragement in the interests of the democracy in Queensland that you seek to assume a policy position—just one would be good—to lay it out, to justify it and for the debate to proceed, rather than questioning my ability to question you on what your policy proposal is. I think it is entirely reasonable in the context of debating a matter of policy that, to determine whether our policy is better than yours, you have one.

Dr FLEGG: In relation to liquor licensing spot checks, I refer to page 3-256 of the SDS where it states that the Liquor Licensing Division performed 1,000 fewer compliance checks of licensed premises than it planned during 2007-08. The reason given was that there was an increase in complaints to be investigated that occupied their time. Won't reducing compliance checks just lead to even more complaints? Surely prevention is better than cure—in this case, compliance being better than complaint investigation. Isn't it giving the wrong message to licensees and people in the community, from a government that is supposedly getting tough with under-age drinking and binge drinking?

Mr FRASER: Thank you for the question. The reality, of course, in providing the service delivery is that an estimation is provided and a forecast is made of the apportionment between the number of complaints that can be expected and therefore the number of proactive compliance checks that are undertaken. In an environment where we see people I think, as it has been the case in recent times, more interested in and more aware of the nature of the obligations of liquor licence holders, it is of no surprise to me or the government that there is an increase in complaints provided to the Liquor Licensing Division. Where there is an increase in complaints, the first task for the division will always be in responding to those complaints. Ultimately, that means that the effort goes as a first priority to those complaints, and you can see ultimately that there is a commensurate increase.

So in fact the totals, on my assessment of it, would have been a target in the first instance combined of some 8,000 compliance or complaints checks, and in fact what was delivered was 8,000 compliance or complaints checks. Therefore, to the extent that people have concerns about operators who are doing the wrong thing, I am not sure that anyone would put forward a proposition that we

should not seek to respond to complaints to the extent that licensees are not doing the right thing merely to honour a predetermined forecast of the number of complaints that might exist as opposed to actioning a compliance program.

Dr FLEGG: I note your response that fewer spot checks were done because resources were diverted to investigating complaints, but in answer to estimates question on notice No. 5 you stated that the number of prosecutions had declined. So you have fewer spot checks and, even though you are investigating more complaints, you have fewer prosecutions. What is this saying about the government's seriousness about tackling the problems in the alcohol sector, particularly binge drinking and under-age drinking?

Mr FRASER: What it says is that the government does not determine the number of complaints or the nature of complaints. What we determine is that when the complaints are received we investigate them and where a prosecution is required we undertake it. I am not sure you are suggesting that, merely because someone makes a complaint, that should logically lead to a prosecution. The nature of investigating a complaint is to determine whether it is substantiated or not.

Dr FLEGG: So you are suggesting that the increase in complaints and decrease in prosecutions means that the complaints are more frivolous?

Mr FRASER: No, I am not suggesting that at all. I am suggesting that the liquor licensing officers have, as is their task, responded to the complaints and undertaken a prosecution where those complaints are substantiated.

Dr FLEGG: I refer to the well-documented slowdown in commercial property activity in all states but which is quite marked in Queensland. Are you able to estimate the effect of this slowdown on budget estimates? If the current slowdown continues and spreads, as appears likely, will you make up the shortfall in revenue by the further introduction of new taxes and charges?

Mr FRASER: Can you repeat the last part of your question? I just want to make sure I answer the direct question.

Dr FLEGG: There is a pretty well-documented major slowdown in commercial property activity. My question to you was: have you estimated the effect to the budget of this slowdown, and if it spreads and continues, as appears likely, are you going to make up that shortfall by further increases to taxes and charges?

Mr FRASER: In short, the answer is no. The anecdotal evidence that has come before me, which I think is far from being absolutely rigorous at this point in time, does suggest some commercial property transactions have, while not necessarily been cancelled, been pushed out beyond original time frames. I think the softness, frankly, at the moment and on the forward program is more to do with the residential property market than the commercial property market. In fact if you look at the budget's forecast for continued business investment you will see a stronger business environment but a tighter environment for the household. To the extent, however, that there is in its manifestation a peeling off in the commercial property market, that would not cause us by any measure to revisit the taxation arrangements that we have put in place in the budget.

Dr FLEGG: Treasurer, we have seen a dramatic escalation in the government's borrowing program, particularly in the forward estimates with the whole-of-government figure out to \$64 billion by 2010-11, and you have said a lot about the sustainability of those borrowings. But what I would ask you to tell the committee is: what level of borrowings do you believe Queensland could sustain without potentially impairing its AAA credit rating?

Mr FRASER: The answer to that question lies in table 9.3, which I think you are referring to. We believe that the program we have put forward is sustainable. More to the point, as I mentioned earlier, the budget is forecast to operate in surplus. Therefore, to the extent that those borrowings lie on budget, we also think that we are able to service those appropriately.

Dr FLEGG: There was a very significant blow-out in borrowings between last year and this year. What level can this go to before it starts to impair the credit rating of the state?

Mr FRASER: I am happy to answer questions about the forward estimates of the budget. We believe that the budget, represented as it is in tables 9.1 to 9.3, which you are referring to, is responsible and that the level of borrowings across both the budget sector and the PNFC sector and taken as a whole are sustainable.

Dr FLEGG: Given the extent of the blow-out in borrowings in this budget compared to last, do we expect to see a similar blow-out in borrowings over the next 12 months?

Mr FRASER: No.

Dr FLEGG: Treasurer, I again refer to the dramatic escalation in borrowings in the public non-financial sector out to \$64 billion by 2011-12. At what point will the government be able to start some level of debt repayment from this amount of debt?

Mr FRASER: In many instances components of that debt will be subject to pay down through the forward estimates and beyond. That is, to the extent that they relate to commercial projects within the PNFC sector, which you are including in your analysis of the government's level of borrowings at the moment, then there are many commercial projects which will come online, generate a revenue stream and commence the payment down of the financing that was originally raised to construct those facilities in the first instance. You see that in relation to projects such as the Gateway Bridge upgrade. The financing task of that project will have a period of introduction before the toll revenues cross over the liability that exists and then ultimately pay down that debt.

The same can be said in relation to the Water Grid Manager and the water price path. That is, as the price path is introduced over years it is debt financed in the first instance. That is the nature of introducing a price path. It then becomes a task for the Water Grid Manager to pay down the initial debt that is financing the price path in the first instance. Ultimately, our ability, as it has been in the PNFC sector over many years, is the ability to pay down those borrowings relating to projects and relating to particular tasks of those entities but also at the same time for those entities to engage in new projects that similarly might be financed in that way and then begin the course of action that sees those particular projects financed and the debt that might finance those in the first instance paid down.

In the budget sector, as has been the case in previous years, we would also see an ability as and when circumstances allow to pay that debt down. We believe that the expansion that we are putting in place into the state's productive capacity will provide broader economic benefits to the state and therefore allow us at future points in time to be able to be in a position where, having financed that infrastructure expansion, that gives us the wherewithal and the strength to be able to pay those matters down.

Dr FLEGG: In relation to the timing of the sale of the lease on airports, can you explain to the committee the reason for the timing of that sale, at a time when demand for those sorts of infrastructure assets is impaired, I think would be fair to say? What effect has the current decline in demand for infrastructure type projects had on the completion date and the possible sale proceeds?

Mr FRASER: I would fundamentally disagree with you that the appetite for long-term infrastructure holdings has dissipated. In fact, I would make the opposite case. That is, at the moment given what is occurring on equity markets, in particular, the appetite for long-run infrastructure investments is very high. While not at liberty to detail the number, the expressions of interest process closed for the airport assets on Friday. I can provide you with every assurance that we have a wide, strong and quality field that is very interested in securing those investments. So, far from it being the proposition that you are putting forward that there is in some way an issue with appetite for those infrastructure investments, all the evidence I have seen and certainly the analysis that I would put forward is in fact that there is a very strong desire for those assets at this point in time.

CHAIR: The time allocated for non-government members' questions has expired. Before I go to government questions, I would like to remind the committee of a couple of standing orders. I have been very lenient with questions this morning in the interests of rigorous examination, but we are examining the proposed expenditure for 2008-09. For the benefit of committee members, I will also read out standing order 112, which states—

In asking a question, no argument or opinion shall be offered, or any fact stated, except so far as is necessary to explain the question.

Mr LANGBROEK: I seek your clarification, Madam Chair, as the *Members' Information Manual* at 4.8.4 states that wide latitude is generally allowed as it can be expected that there will be broad discussion ranging from items of detail to broad policy.

Ms DARLING: That is correct, and that is what I have just stated. I have allowed a lot of leniency in questions. I just thought it was timely before we handed over to government questions to remind members of a couple of the standing orders. I do not dispute that at all.

Mr LANGBROEK: Thank you.

Mr WENDT: Treasurer, I noticed your response to government questions on notice about seniors. Could you please outline how the budget assists pensioners and older Queenslanders with respect to government rebates?

Mr FRASER: I can. I thank you for the question. The government made a number of decisions in this budget which go to providing assistance towards those Queenslanders who are least able to cope with a context of rising prices and rising inflation—that is, in particular Queenslanders on fixed incomes, older Queenslanders, those on pensions, carers pensions and the like who, in a context of rising prices, find it most difficult to deal with those inflationary challenges. What we have done is keep in place the Pensioner Rate Subsidy Scheme. In the south-east corner, where there will be an elevation of water prices as forecast in relation to the water grid, we have put in place a scheme over the next four years of some \$50 million to provide this year a \$40 rebate to those pensioners in the south-east corner who are facing those water price rises, a \$70 rebate the next year and then a \$100 rebate the year after. The rebate is moving up as the price of water is predicted to over those years.

The rising cost of electricity is well known both around the world and in Australia at this point in time. Given the regulated increase of 5.3 per cent, the government took a decision to increase the rebate provided to pensioners for electricity by more than that, by 13.8 per cent, which takes it from \$145 per annum to \$165 per annum. This comes on top of the gas rebate scheme which we funded through this budget as well as continuing discounts which we provide to pensioners on both motor vehicle and boat registration where a 50 per cent discount prevails. There are also discounts available in terms of train travel and bus travel. All of those arrangements are in place and funded such that the concessions provided in the budget, as is detailed in Budget Paper No. 2, for the first time reach over \$1 billion. They focus particularly on those classes of people but are not exclusive to that class of people.

We have also taken a number of other decisions which are to the benefit of older Queenslanders. One is the abolition of land tax on aged-care facilities to ensure that the operators of those facilities in which older Queenslanders live are not liable to pay land tax. There was also an increase to the Medical Aids Subsidy Scheme, which has been detailed in the past. Also, arrangements were put in place in terms of the principal place of residence deduction for land tax. That is, for people in older life in circumstances which generally arise where illness or otherwise forces them to exit their principal place of residence either to go into care or to live with a family member or otherwise, we have removed the land tax penalty that can arise in very capricious circumstances.

Mr WENDT: Treasurer, as you know, I represent an old coalmining town. As such, I wonder if you could explain to the committee what funding the government has allocated towards developing clean coal technology.

Mr FRASER: On a day when the federal government hands down its green paper on an emissions trading scheme the question is entirely pertinent. We believe that there is a future for the coal industry in Queensland, but it has to be a clean future and it has to be a future that recognises the need to capture the externality of carbon emissions to make sure that we price that externality into the way in which our economy is run. As I said earlier, this is not just an environmental challenge but also an economic challenge as we introduce the calibration of carbon into our economy. As we do that, equally we are obliged as a government, in our view, to be making a contribution towards the development of new clean coal technology. To that end, the government has put in place a \$300 million contribution to clean coal technology development which has also leveraged a contribution from industry of some \$600 million. We recognise that they, more than anyone, have a lot at stake in ensuring that the development of clean coal technology is able to be advanced.

There is extensive discussion on this fact in Professor Garnaut's report and in his proposals also about not merely compensating those industries that are energy exposed and not merely compensating households but also directing a proportion—20 per cent—of their revenue from an ETS arrangement towards the development of new technology. We recognise that ultimately investment in R&D and investment in new technology are difficult tasks for any one entity or any industry to bear and that government can make a strong contribution, and that is why we have done it.

We have seen also our investment in the ZeroGen clean coal project near Rockhampton, which now has a government contribution of some \$102 million. That means we are ensuring that, as the owner of coal-fired power stations, we have projects underway which are at the forefront of global development of clean coal technology. Do we recognise it is a difficult task? Yes, we do. Do we think that it is going to be a cheap task to develop these technologies? No, we do not. Ultimately that means for us as a government with industry that we need to make sure that we are putting in place those investments which ensure that we can secure a viable environmental and economic future for the coal industry.

It is the case that Queensland has more at stake in this policy proposal than any other state. If you look at the potential economic ramifications of doing nothing, as outlined by Professor Garnaut, they are twice the rate in Queensland as they are for the nation as a whole. The potential impact for Queensland is about 9.6 per cent of GSP and 4.8 per cent for the nation as a whole. We have a very carbon intensive economy here in Queensland, and that means that we have to put forward our best foot.

Mr WELLS: I refer to the resources boom and to the mercantilist streak which lies deep within the soul of each of us. I also refer to pages 96 to 100 of Budget Paper No. 2, and I ask: why has the government decided to alter the royalty rate? What effect will this have on revenues?

Mr FRASER: I thank the member for the question and return to some of my earlier remarks about the history that underlies the royalty regime that is in place in Queensland. As I remarked earlier, it is in fact the case that the royalty regime, originally introduced in 1974, was at a discount from the principal of 10 per cent to ensure that investment was encouraged in the first place.

It is clearly the case when you are witnessing the tripling of coal prices that the policy argument for running a discount to a royalty regime I think is somewhat dissipated, weakened and, in fact, evaporates. As an owner of QR and port infrastructure—and given the expansion of that infrastructure that is required to support the boom—but, more particularly, in the context of expanding the social

infrastructure, the hospitals and otherwise, in the communities and cities that are supporting the resources boom, we believe that the full rate of return of 10 per cent from those coal resources should be secured by the Queensland taxpayer.

Recognising the issue of cost structures in the industry and noting, despite claims from some people, including, I have to say, the shadow Treasurer, that we should link the royalty regime to profitability—that would be unconstitutional—the reality of the situation is that we have got a royalty regime which applies in a marginal way above \$100 a tonne. As I said earlier, I do not think any amount of negotiation with the Resources Council would have resulted in a concluded view that they would support a royalty increase. Frankly, I think that is an expectation that would never have been achieved as equally as I said it would never be achieved that you could get agreement for a change in the personal income tax rates with the broader Australian body politic.

While it is the case that we seek to provide that level of consultation with industry and we have provided that approach in the past in the sense that we put together a budget that needs to take account of prevailing economic circumstances, that was not possible. No government in adjusting tax rates does that in an unthinking way, but ultimately consultation on some of these proposals, whether up or down, is in fact not appropriate or possible. I table for the benefit of the record of the parliament a letter to the Resources Council that was provided by the government.

CHAIR: Treasurer, you need to seek leave to table that letter.

Mr FRASER: I seek leave to table that letter.

Leave granted.

Mr FRASER: It sets out arrangements in relation to a whole series of matters about the policy proposals that the Resources Council has been interested in in the past and surely into the future. We undertook this decision to ensure that the appropriate return, recognising the broader economic environment that we are in, was appropriate for the people of Queensland.

Mr WELLS: Further to the resources boom, what investment has the government made in the infrastructure that supports the resources boom and, importantly, to the communities whose efforts support the resources boom?

Mr FRASER: As I said, the approach and the task for government at the moment is about supporting that resources boom. We do not think this is a competition with the resources companies. We think they stand to benefit as we stand to benefit. This is in an environment of rising prices—prices which, frankly, very few, if any, people predicted the scale of. We need to make sure that we work closely with the resources companies to ensure that not only are we providing the economic infrastructure—things like the doubling of Abbot Point Coal Terminal which I mentioned earlier, things like the investment of some \$570 million which is occurring in the coal network in central Queensland alone this year, things like the Jilalan yard upgrade, things like the \$300 million in coal rolling stock which is going to be invested this year—but also, in cognisance of all of those requirements, we put in place the economic infrastructure, rail, port and electricity generation, distribution and transmission networks that support the development of those minerals and support the development of those communities which are supporting them.

Your question is also about the other aspects of supporting the resources boom quite apart from the particular economic infrastructure that the resources companies use themselves. There is also an allocation of \$150 million for highways in the Bowen Basin region, recognising that those highways are impacted upon by the higher level of traffic not only of the people working there but also of the goods and otherwise being transported on them. We think that is an appropriate level of investment. It does have a benefit to the resources industry but it is more particularly aimed at the people who live in those communities.

We are also ensuring, through a whole range of other measures such as the new Mackay Hospital, which we are building on site in Mackay and which will service the resources sector in a way that was never previously imagined in the city of Mackay, that we are able to provide health services for people who are generally living in and around Mackay if not further than Mackay in the Bowen Basin. We are also making sure in that context that we have other infrastructure in Mackay such as the Forgan Bridge and the new Hospital Bridge built and put in place. That is about lifting the capacity in a key city like Mackay, which is playing a huge role in supporting the resources boom at the moment and as more and more people seek to operate not only in a fly-in, fly-out way but also in a drive-in, drive-out way.

We also see the expansion of the Mount Isa Hospital which is being funded, as the government has previously indicated, through the sale of the government's stake in the Brisbane Airport Corporation. Mount Isa plays a different role for a different part of the resources industry. That hospital expansion and redevelopment is also entirely appropriate.

CHAIR: On page 202 of Budget Paper No. 2, in the section on sensitivity and expenditure risks, there is a mention of the obvious issue of future interest rate movement. Can you advise how these risks are managed?

Mr FRASER: I will build on the answer that I gave earlier by saying to you that obviously for a generation the Queensland Treasury Corporation has, in my view, undertaken this task in a way that is widely regarded on markets and by industry as being above grade. Their ability to execute and undertake the financing program that they have over the last year and more importantly into the future I think is unquestioned.

I would note in the context of the financing task that the QTC had to undertake over the last 12 months that, while its task was larger than it had been in the past, it was able to complete that task basically in full by February this year. In the context of seized or frozen credit markets and in a context where confidence to invest and where liquidity had in many ways evaporated, we find ourselves with a Queensland Treasury Corporation whose strength, representation and approach to managing the financing task for the state as its corporate treasury stood it in a position where it was able to achieve that task ahead of time, despite the prevailing circumstances and the nature and quantum of the task that it was charged with at this point.

It is certainly the case also that the proposed changes to withholding tax which have been put forward by the federal government will have the potential to improve liquidity in the bond markets for the Queensland Treasury Corporation. It has a strong track record in ensuring that its long-term approach to financing the capital raisings required by the state is one which is apportioned over time and in a way which takes account of the fact that interest rate movements are subject to both short-term and long-term forecasts. In many ways, as a long-term player in the market and taking a long-term view, the Queensland Treasury Corporation's approach to apportioning its debt raisings over a 10-year time frame with average maturity of those debt raisings at about 3½ years ensures that it takes account of both the shorter and longer term movements on interest rate markets.

CHAIR: Business in Queensland is always on the lookout for tax relief. I refer you to pages 78 to 83 of Budget Paper No. 2 and ask how decisions in this budget will assist in ensuring that Queensland continues to have a competitive tax system.

Mr FRASER: I thank you for the question. As I said in my opening remarks, one of the key policy priorities for the government and for the state of Queensland is to ensure that we have a competitive tax regime and to make sure that we have in every instance a regime which takes account of the fact that we have always had the benefit of a tax regime which has been more competitive than other states. This year, as the budget papers detail, Queenslanders will pay some \$243 less tax per capita than other people in Australia because of the government's long-term policy view of having a competitive tax regime.

The payroll tax system in Queensland has the highest threshold in mainland Australia of \$1 million. It has the lowest rate of 4¼ per cent—a rate which is the envy of other states who, I notice in their budget decisions, have made minor changes to rates and held them as payroll tax reform. They come nowhere close to the way in which we have maintained a very competitive regime on the payroll tax front over many, many years and do not intend to change it.

We also have a deduction system which is rather unique. That means that there is a phase-out of that deduction from employment thresholds of \$1 million to \$4 million at present. This can have a marginal impact on small and medium enterprises just over the \$1 million threshold. What we have committed to do, at a cost of \$20 million in further payroll tax relief, in this budget is expand that out to \$5 million and, more to the point, set out a policy commitment to revisit that particular phase-out rate at \$5 million now each and every budget to ensure that we smooth that deduction as far as possible. We will ensure that as those businesses move into the payroll tax net—and I would point out in context that at \$1 million that threshold is very high and about one in 10, or 10 per cent, of Queensland businesses only are in the payroll tax regime—we have a threshold which ensures that they move out in a way that is more equitable.

Obviously in the past there have been significant amendments to the land tax schedule. What we are seeing is our threshold payment for companies, trustees and absentees reduced from \$2,250 to \$1,450. That is a benefit which will be accrued to some 17,500 companies, trustees and absentees who are in the land tax regime. As I remarked upon earlier, it is in fact the case, according to the Commonwealth Grants Commission, that our land tax regime is 45 per cent as opposed to anything close to exercised to full strength.

CHAIR: The time allocated for government questions has expired. I call the member for Moggill.

Dr FLEGG: On page 32 of Budget Paper No. 2 you refer to the COAG approach to emissions trading and the framework to be finalised by October this year. The state government owns a substantial number of coal-fired power stations which, on the best economic modelling I have been able to find, may well suffer fairly significant reductions in asset values as a result of emissions trading. What study have you done on the potential impact of the emissions trading on the power generation owned by the government and on the effect on GOCs of the reduction in asset values?

Mr FRASER: It is an important question in terms of the policy proposal of ensuring that the emissions trading scheme that we put in place in the first instance as a country—that is, the states acting together with the Commonwealth—takes account of our economic circumstances. As an asset owner, as you point out, of a portfolio of generators which are coal-fired, we need to have an approach here which is not just as policy maker but also as asset owner.

The extent to which there is a diminution in that asset value depends on a number of variables. One is a price for carbon that is proposed out of an emissions trading scheme. The second is—and I note the comments of Professor Garnaut in this context—whether or not there are transition arrangements or compensation in place towards electricity generators to that end. At this point in time no-one is able to quantify that because the variables about the system have not been settled. To the extent that this is an issue which is of high import to us as an asset owner on behalf of the taxpayers but also as the authors of economic policy settings, we need to make sure that we have an approach which takes account of both of those.

We recognise, as is set out in our submission to the Garnaut review which has been publicly available for some time, that this is an issue that requires consideration in the introduction of an emissions trading scheme. Obviously it is one which will very much be at the forefront of the policy work that is undertaken over the next six months.

Dr FLEGG: Treasurer, the imminent introduction of emissions trading will obviously have serious implications for Queensland because of the significant dependence of the state government—the economy—on coal royalties and coalmining. I note that in your public comments you have been fairly quiet on this issue, but I would like to ask you if you could clarify to the committee what studies you have done about the potential impact of the emissions trading scheme on both the government's financial base, particularly that which comes from the coal industry which goes beyond of course just royalties, and also on the broader Queensland economy?

Mr FRASER: I think there are a couple of points to make. One is that there is an economic cost which is quantified in Professor Garnaut's discussion paper released this month of doing nothing. The do-nothing approach would see a 9.8 per cent reduction in gross state product. So the first entry point into this discussion needs to be that there is a cost to doing nothing. Secondly, obviously there is a cost to acting, but frankly our view as a government is that we cannot afford not to incur that cost because to do otherwise would be to accept the ramifications from climate change. The Queensland Treasury is in fact providing a lot of the key technical data into the federal policy-making process. We are working closely with the Commonwealth to make sure that those arrangements are cognisant not only of the Australian context in the broader international framework but also of our particular circumstances. All of that modelling will be released in due course.

Dr FLEGG: Thanks for that.

Mr FRASER: I am advised that the green paper has not in fact been released as of this minute but is due in an hour or so, and that will provide the first iteration of that. But I can provide the assurance that, yes, we recognise that in fact Queensland has more at stake in this game than any other state. We take comfort from the fact that it is our economic modellers in the Office of Economic and Statistical Research who are doing a lot of the grunt work in terms of that modelling. When finalised, all of that modelling will be released in full in the public domain.

Dr FLEGG: Thank you. Madam Chairman, with your leave, the member for Toowoomba South will take over questioning on the Racing portfolio.

CHAIR: Certainly. Member for Toowoomba South.

Mr HORAN: Thank you, Madam Chairman. Minister, I refer to page 3-250 of the Treasury documents. A special meeting is planned for 6 August to extend the term of the chairman and directors to 2012 and further to 2018, with only one opportunity for challenge of those positions. In effect, the chairman and some of these directors would have been in that position since 2002 with the board and 2006 with Queensland Racing Ltd. Minister, under your responsibility in the act to approve licences for the control body and give direction about policies and rules, particularly public confidence in the integrity of the control bodies managing the interests of the code and the control bodies being accountable, I ask: have you approved this attempt for long-term unchallenged control of the racing industry?

Mr FRASER: No, I have not and it is not up to me to approve a proposal that Queensland Racing Ltd as the licence body would undertake. If the industry—having considered any proposal, the nature of which may go along those lines or a different line—as a whole agrees and resolves upon a course of action and puts forward a recommendation to me, my role under the act is to approve the change to the constitution, but that would only come to me if it was in fact agreed upon by the industry.

Mr HORAN: Minister, referring to page 71 of Budget Paper No. 2 about wagering taxes, I ask you about concerns regarding the operation of Betfair and corporate bookmakers on the Queensland Racing industry. It is costing the industry about a \$17 million loss a year. In addition, there is now a risk that the gentleman's agreement will be broken by New South Wales under its new legislation, costing more

millions to the racing industry. What has Queensland Racing advised you to do to fix this problem of Betfair, corporate bookmakers and the breaking of the gentleman's agreement? Does that advice include any abolition of the wagering taxes collected by the state or transfer of those wagering taxes?

Mr FRASER: The question is one of great substance. I for one would put forward the view that many of the fundamental structures underpinning the way in which the racing industry has been financed and has been conducted in the past are in fact under direct and sustained challenge at the moment by moves particularly in other jurisdictions. Queensland Racing does not have the role to provide that advice to me. The legislative environment that exists is one which is a matter for government. It may well have opinions, but it is not an advisory role. Any change to wagering revenue at this point in time because of the nature of the exclusivity agreement with UNITAB, now owned by Tattersall's, would in fact go only to the direct benefit of Tattersall's and not result in extra money going back into the industry.

But there is I think a requirement for Australia as a whole and for the industry as a whole to approach this task not in a manner in which it is presently being undertaken—that is, a fragmenting not only of the gentleman's agreement, as it is known, but a fragmenting of different approaches to different forms of bookmaking and betting which sees leakage and capture of wagering turnover and otherwise enter different parts of the industry. This is something which cannot be denied. The Australian racing ministers council I think is on in October this year. We have had the High Court say that the approach that Western Australia took was unconstitutional in a way which I think is quite an extraordinary leap forward in terms of the way that the High Court considers those matters across industry generally. There is absolutely a high task for government at the moment to look at the issues around proposed exclusivities, proposed licence fees and proposed restrictions around publishing and advertising which other states are putting forward at the moment.

There is in my view nothing to recommend an approach which says that we cannot confront the existence of Betfair. At the moment in Queensland, as you rightly point out, while having denied Betfair, the fact is that it is licensed in another jurisdiction and taking the benefit of the racing product that is being produced and run in Queensland. Regardless of whether you have a philosophical view about Betfair or otherwise being desirable, the fact is that it is taking an economic benefit from the Queensland racing industry and returning naught and I think that that is the least best scenario. That means that we need to adopt an approach in this context which seeks to enjoin Betfair in a way that provides a return back to the industry if it is going to in fact exist.

Mr HORAN: Thank you. Minister, with regard to your responsibility under the act for accountability—and again looking at page 3-250 of the budget papers—during the EI outbreak many race meetings were cancelled throughout Queensland in both the green and the red zones, amounting to probably in the order of \$30 million or more in savings in the prize money that would have been paid out. Under the accountability watch that you have under the act, can you advise this hearing the amount of prize money that was saved by those cancellations in both codes and what that money has been allocated to? Is that saved money to your satisfaction?

Mr FRASER: As you rightly point out, because of the impact of EI there was a great reduction in the number of races that were being conducted. In many non-TAB areas they became TAB race meetings, therefore providing a return to industry which substituted the requirement to solely fund those meetings that otherwise would not have been TAB meetings. I do not have a final set of advice from Queensland Racing about the quantum of the funds at this point in time, but it is required to report that in its annual report. What I do have however is this, and the answer to your question lies in this: under the Racing Act there is a legislative obligation for Queensland Racing to return seven per cent into non-TAB racing. To the extent that there is any provision of funds above and beyond that requirement, then I have already written to Queensland Racing in that context reminding it of its obligation that it needs to provide that to the benefit of non-TAB racing. It has to do that. It is what the Racing Act requires. The quantum of the funds and the nature of how it returns those funds have not yet been determined, but it is a matter which I am aware of. I agree with the policy point of view that I think underlines your question—that is, that it is not to gain from the circumstances of EI and that in no way discharges or excuses the obligation that it has under the act to return seven per cent into non-TAB racing.

Mr HORAN: Minister, could I ask for the detail to be provided to the committee at a later date? I understand that you might not have it now.

Mr FRASER: I am not sure of the timing of the annual report.

Mr HORAN: I am after how much was saved on both codes.

Mr FRASER: I am happy to provide it either to the committee or, if the committee has disbanded because time has moved on, to the parliament as a whole. It is something that I would normally report, but I will provide an undertaking to give it to the parliament.

CHAIR: We will note that as a question on notice in the first instance, Treasurer, if that is all right—

Mr FRASER: The timing of the annual report—

CHAIR: It will definitely be too short for you.

Mr FRASER: We are talking September or so, but I can give an undertaking to the committee that as soon as the advice is provided I will provide it to the parliament.

CHAIR: Thank you.

Dr FLEGG: Treasurer, I refer to the government's infrastructure program of some \$17 billion I think in the 2008-09 year, a program that has become necessary of course because of many years of underinvestment in infrastructure. Treasurer, do you accept the view of the New South Wales Treasury Secretary, John Pierce, who states that the state's massive infrastructure catch-up programs are putting upward pressure on inflation?

Mr FRASER: No.

Dr FLEGG: Mr Pierce is a fairly senior commentator, and I notice other economic commentators have also been of the same view. He went on to say that he found that it was frustrating that governments were talking about the number of dollars they were throwing at infrastructure rather than the amount of infrastructure they were actually building. Do you accept then the view that the government's output and performance in infrastructure should be measured in projects, not in numbers of dollars?

Mr FRASER: I suppose I would point to a number of things. One is that I take the advice of my Under Treasurer and not the New South Wales Treasury Secretary, an Under Treasurer in Queensland who I think has served with distinction. I would also make the case that I am not sure that I would accept the advice of, with due respect, a secretary of Treasury who believes that, with regard to the development of an emissions trading scheme at the time of a credit crisis, the appropriate course of action to undertake would be the divestment of coal-fired generation facilities, not to put too fine a point on it. In that context, however, I would put the case to you that the expansion of our infrastructure capacity, as the Reserve Bank has said and as I have remarked upon many times, is in fact anti-inflationary in the medium term—that is, the only way to reduce inflationary pressures that lie dormant in the economy is to increase the productive and economic capacity that exists within the state to ensure that the throughput of export commodities and otherwise is lifted. That reduces price pressures so that the infrastructure investment—whether it is in roads and improving productivity that way or whether it is in port expansions and rail expansions and improving productivity that way—is to the benefit of fighting inflation to the extent that there is a contribution from capacity constraints and infrastructure contributing to inflation. I think it is incumbent upon us to make sure that we have a view, as I think the Reserve Bank does, that this is about the response now to ensure that the inflation levels in the economy return to the target band.

Dr FLEGG: Treasurer, I note the substantial increase in interest liabilities that the government will have to pay, particularly going into the forward estimates. Can I ask you how much the interest rates at which the government must borrow have increased over the past 12 months given the movement in the cash rate up to 7¼ per cent?

Mr FRASER: You can. The interest rate over the last 12 months has been, I think on balance, 7.2 per cent. We have a view that, while there will be some increase to that in the next year or so, it will return to other levels as the Reserve Bank meets its charter—that is, is able to reduce the inflation issue that is besetting its conundrum at the moment in setting a monetary policy as it has over the last 12 months.

I would point out to you, with reference to my previous answers about the nature of the fact that QTC both forward-funds its program and has those funds separated on a 10-year program with average debt maturity at 3½ years, that any particular movement in any one year does not radically reset the financing task of government.

Dr FLEGG: In relation to those movements in interest rates and, of course, their much greater impact on budgets now than a few years ago because of the greatly increased amount of borrowings being used by the government, have you an estimate of how much additional interest payments will rise as a result of those movements in the price of money? If they are not available at your fingertips, can you provide them?

Mr FRASER: The answer is that they are reflected in the forward estimates. That is, we have taken a view about interest rates and factored that into the quantum that you are referencing out of the budget papers. So the answer is of itself presented in the fact that we have provisioned the money, as we have listed, in the interest expense lines across both the general government sector and the PNFC sector in a way that takes account of our views of what interest rates will do. So there is not, if you like, an addition to that that goes beyond that.

But to put it in perspective and because of the way in which QTC funds the borrowing program, you might use as a rule of thumb that a sustained one per cent increase would cost about \$80 million per annum. But we believe that the Reserve Bank will be successful in its task, and that is reduce the inflation burden that exists within the economy, and that cash rates will move down again. Ultimately, that is because we believe that the Reserve Bank will be able to do its job.

Dr FLEGG: At page 3-254 of the SDS you have discontinued a significant number of performance measures. Can you explain to us why you have discontinued so many? Do you accept that it makes it more difficult for people to make year-to-year comparisons of the performance?

Mr FRASER: I am grateful for the question because it gives me a chance to talk about something which not many people want me to talk about, and that is there is a strong case to be made that the presentation of the budget this year—and I have received this feedback more broadly and, I might even suggest, across the political spectrum—is very much to the benefit of understanding the transparency of the budget. I would be happy to answer the question further, suffice it to say the answer lies in trying to improve those measures that you referred to in line with the feedback from the Auditor-General about ensuring that they, in fact, go to the nature of what we should be measuring to provide a clearer assessment of the tasks we are undertaking.

There is a difference, in my view, between a sheer volume of information and that information being easily able to be understood and going, in fact, to the matters that people are interested in. Initiatives such as the new Budget Measures paper, Budget Paper No. 4, and the incorporation of the previous MPSs into the Service Delivery Statements have contributed to the budget being presented in a more accessible way for interest groups as a whole. Also, by taking the changes in the accounting framework determined under accounting standards and by the UPF, I think on the whole they have presented a budget which has greatly improved transparency and accountability. We will continue to make sure that we refine those measures in the Service Delivery Statements to ensure that we meet the challenge set us by the Auditor-General.

CHAIR: Thank you, Treasurer. The time allocated for non-government questions has expired. I call the member for Murrumba.

Mr WELLS: Treasurer, in answer to your last question from the government you referred to payroll tax reform. I would like to explore that a little further. Page 84 of Budget Paper No. 2 notes that the government has implemented a payroll tax harmonisation policy. Can the Treasurer update the committee on the implementation of this harmony?

Mr FRASER: There is peace in our time and harmony everywhere is the answer to your question. I think there used to be an occasion where the Council of Australian Governments went for a much shorter period of time but arguably produced much less in substance in terms of results. The case now, with both premiers and treasurers attending the Council of Australian Governments, is one in which we find that the outcome of the policy proposals is the first order of the day and not the base politics that might be executed in the nightly news.

Payroll harmonisation was, in fact, a task undertaken when the previous federal government was in office and has been implemented across Queensland, Victoria and New South Wales and is rolling out in other states. It is a task that was first put forward under COAG under former Prime Minister Howard and it is a task which was detailed at these estimates hearings last year by the former Queensland Treasurer, now the Premier.

The implementation of the new regime goes very much to the benefit of those industries which operate across state borders. As I said earlier, given our high threshold, what you find is that only industries with a payroll above \$1 million are in the net. Therefore, they are not your standard, run-of-the-mill small business and oftentimes businesses that operate across different states. What we have done in implementing this reform is reduce the compliance burden for business to ensure they can meet their payroll tax obligations in the most efficient manner. That means they have commonality to definitions—commonality to provisions to ensure that the way in which payroll tax is, in fact, levied in different states is the same so that, therefore, those businesses can take the benefit of that red-tape reduction.

I would make the case, however, that one thing we are not proposing to do is in any way harmonise the threshold or harmonise the rate. We are happy to have business in Queensland take the benefit of a harmonised administration underpinning the way in which payroll tax is levied. What we would not be keen for and what we will not be doing is having a provision whereby payroll tax in Queensland is in any way levied at the same rate or at the same threshold as in other states. We very much place a value on having a competitive regime, and that is what we will have into the future.

Mr WENDT: Treasurer, continuing on the theme of compliance and taxation, I refer you to page 3-248 of the Service Delivery Statements which talks about the revenue management system of OSR. On that issue, can you detail how the government is endeavouring to reduce compliance costs for taxpayers?

Mr FRASER: I can. One of the things the Office of State Revenue has introduced in recent years, and which it continues to roll out and which again received support in this budget, is a new e-business functionality into the Office of State Revenue. We are greatly encouraged by what has been achieved to date. Therefore, we have set ourselves a task of reducing administrative costs for clients by 20 per cent.

We do that in a way that recognises there is much to be gained through the ability of conducting and meeting obligations through electronic service delivery. We introduced e-lodgement for payroll tax self-assessors a couple of years ago. We have seen already that some 95 per cent of people now meet their obligations electronically. That greatly reduces the compliance costs for those businesses.

At the end of last year we introduced the second phase of that, Duties Online, which has seen a rapid uptake and more particularly—and most encouragingly—an even higher uptake outside the south-east corner. What we have seen is that about 80 per cent of people have already moved to meeting those obligations through electronic means and taking the benefit of the reduced compliance costs. Secondly, what we have seen is, as I said, a higher uptake by those people outside the south-east corner, not only for the benefits that it achieves in terms of the efficiency gained through the speed of it, the reduction in postage and paper handling costs, but also because through electronic lodgement there is a quality assurance process. That is, it has greatly reduced the levels of mistakes and errors that are produced in lodgements of assessments because there are in-built calculators and the ability to define those obligations and ensure that some common errors which might have been made in the paper based system, which are then processed, posted, then sorted through, then discovered and sent back, are, in fact, nipped in the bud.

That has very much been a positive aspect of the introduction of the new revenue management system that we are introducing in the Office of State Revenue. We believe, therefore, that our approach of seeking to secure a 20 per cent target in the reduction of administrative costs for those people who are clients of the Office of State Revenue is one that is both a worthwhile task and one that we believe is fundamentally achievable as we look to ensure that people are able to meet their obligations in the most efficient manner.

Mrs SMITH: Treasurer, there has been some speculation and concern about the future of greyhound racing on the Gold Coast. Can you outline for the committee what financial assistance the state government is providing to Greyhounds Queensland Ltd to assist them in moving from their Gold Coast Parklands home?

Mr FRASER: I can. I met with Greyhounds Queensland Ltd on Friday of last week and discussed with them the approach the government will be taking to assist the industry. We recognise the fact—and ultimately this is something which is acknowledged by the industry and I think accepted by the community—that the public land on which they presently conduct racing on the Gold Coast is, in fact, just that: public land administered for the state by the Parklands Trust. It is being utilised because of a decision of the government to build the Gold Coast University Hospital—for the expansion of that new hospital on the Gold Coast. Therefore, that necessitates the taking of some of that land on which other activities are presently engaged for the benefit of building the hospital.

We have offered in this context a compensation arrangement to Greyhounds. They do not have a tenure that in a legal sense would require us to do that. They are occupying the site under a permit to occupy—a licence which has been rolled over and rolled over—and in arrangements which have not been revisited for a long period. But we do not believe that it would be appropriate for government to stand on what you might term the legality of it and we point to what is more appropriate. So we have offered Greyhounds a \$10 million compensation package to move from the site. That \$10 million will provide the resources for the industry to make decisions about its long-term future.

There is a well-known debate about whether or not Greyhounds see themselves as long-term co-tenants at Albion Park. Many in the industry believe that exiting that ownership, if at all possible, with their co-tenants—the harness racing—would provide them with the ability to chart a different course for the industry. If that is achievable then government will not stand in the way of that. We believe that if they are able to realise that, and with the \$10 million that we are providing, whatever the future for the industry is, what facility they might seek to pursue—whether that is the Logan option which has been mooted or another one—we have the wherewithal and the resources for the industry to make those decisions. Government will not be standing in the way of Greyhounds and Harness making those decisions, but we believe that the \$10 million offer to the industry will provide them with a very substantial financial resource, along with the other resources of the industry, to make those decisions.

It is now a corporatised entity in charge of its own destiny. With the benefit of the transfer of the half-share of Albion Park in the past and now with the \$10 million in compensation at Parklands, we think that sets it up with the ability to make those decisions.

Mr WENDT: Treasurer, page 21 of Budget Paper No. 2 refers to a number of state and national economic forecasts. Can you tell the committee what is the forecast for 2008-09 and what underpins Treasury's view on that?

Mr FRASER: I can. As I intimated earlier, we predict that Queensland will, in fact, gather pace in 2008-09 and grow at a rate of 4¼ per cent. That is, in fact, above the 3¾ per cent which we believe will be the finalised figure for 2007-08—the 12th year that we have grown at a rate above the national economy which, on Commonwealth Treasury's figures, grew at about 3¼ per cent for 2007-08.

What underpins that is definitely a robust view about the fundamentals in the Queensland economy. We continue to believe that there will be substantial employment growth in the state and that will ultimately lead to us achieving a year average unemployment rate of 3.75 per cent as jobs generation meets available labour supply. That will ensure that we have a once-in-a-generation low of unemployment of 3.75 per cent delivered last year and sustained on the year forward, in sharp contradistinction to what has occurred in the national economy.

We are also looking forward to seeing continued and strong population flows into the state. Our population flows are at 2.25 per cent, which again are above the national measure. More importantly, that population flow is predicted to be both younger and more skilled than the incumbent population. Twenty years ago we might have been witnessing inflows of what you might have described as economic refugees from southern states seeking cheap retirement on the Gold and Sunshine coasts. These days a couple of things have changed.

As some of the members here appreciate, the Gold and Sunshine coasts are very different places 20 years on. More to the point, people are making the decision to move to our state at the start of their productive lives, having gained qualifications or skills in another place. They are seeing the prosperity and the pipeline of investment. They are seeing not only an optimistic outlook for the resources sector but also recovery in the agricultural sector and what that will do for driving exports to 4.25 per cent. And they are making the decision to commence their working lives in Queensland because they see great prospects in Queensland. Not only are they attracted here because of the sort of environment and the way of life that we enjoy, but also and more particularly they see those economic prospects underpinning their attraction to moving here in the first place. Obviously this is an environment where we see some challenges in terms of household consumption in an inflated or a heightened interest rate environment that presents some challenges for retail trade and some challenges in terms of future prosperity, and that needs to be factored into that overall robust outlook.

CHAIR: Treasurer, I refer to page 84 of Budget Paper No. 2. How does this budget ensure that Queensland's tax regime compares favourably with other states and territories?

Mr FRASER: It ensures that we maintain a level of competitiveness by having Queenslanders pay \$243 per person less than in other states, as is detailed in the budget papers. As I said earlier, that is because we have very competitive land tax, payroll tax and transfer duty regimes. Therefore, Queenslanders can take the benefit of a competitive tax regime which recognises that we encourage investment and that we make sure that, at every point in time, businesses are encouraged to grow and expand. That is delivered for Queenslanders through the changes that we have made most particularly and most pointedly to first homebuyers. We have said to people who are looking to start their productive lives here in Queensland that if their first home is valued at less than \$500,000 they will not pay a cent in stamp duty or mortgage duty. We have said that we will continue to have a very low rate of payroll tax, that we will continue to have a very competitive land tax regime and that we will continue to make sure that the overall tax settings for the Queensland economy are ultimately competitive.

As I said earlier, we suffer the disbenefit of a very competitive tax regime by the Commonwealth Grants Commission's assessment of ensuring that there is a level of equalisation across the constituent states in the Federation. However, this has been a long-term policy approach of Queensland governments on both sides of the ledger and we think ultimately it has been to our benefit as we have been able to chart a story of economic expansion that for 12 years has outpaced the national economy, and year 13 has just commenced.

CHAIR: Treasurer, Queensland has many beautiful schools of significance to Queensland's heritage. Some of these date back to early last century. I refer to page 109 in Budget Paper No. 2 and ask: what is being done to ensure that these historic schools remain and that they continue to be well maintained?

Mr FRASER: As someone who I think has one or two older schools in her own electorate—

CHAIR: I do.

Mr FRASER:—and those of us in more established parts of Queensland know, many schools in Queensland have a unique history. It is one that we should cherish and protect. I note in passing that in the time that I have been the member some of the schools in my electorate have been celebrating 120- and 125-year anniversaries, which means that those schools are older than the country itself; they are older than Federation although they do not quite reach the 150th anniversary that we seek to celebrate as a state. Those schools are located in established areas such as the inner parts of Mackay and Brisbane, as well as in many older towns—not necessarily just cities—around Queensland. Some of our schools have been there for a very long time.

As those of us who have ever been silly enough to own a Queensland school know, with romance comes obligation and these are expensive things to maintain. Ultimately that means that we need to ensure that the maintenance effort is commensurate with the romance of the age of our schools. That is why in the budget there is a \$100 million allocation over two years towards that maintenance effort, particularly to ensure that given the historical nature of many of our schools, which have stories to be

told amongst their walls, we have the wherewithal to ensure that we can provide the maintenance task that is required. There are some 22,000 buildings across the schools that we own as a state. As an asset management task they do not come—

Mr JOHNSON: A bit of pain amongst their walls, too.

Mr FRASER: We take that as a plaintive request from the member for Gregory. The reality is, of course, that while we all value our schools and value the history in them, the maintenance task is significant one. That \$100 million boost over two years to the maintenance budget will see a school maintenance budget this year of some \$135 million. In that context we have the ability to make sure not only that we build new schools in growing parts of the state but also that we properly maintain, enhance and cherish those schools that have educated the people of Queensland longer than the country of Australia has been a Federation.

Mrs SMITH: Treasurer, the budget papers reveal an impressive capital program. Can you outline for the committee where this money is being spent and on what projects?

Mr FRASER: I can. Following on from my last answer I note that the budget provides funding for four new schools across Queensland and three of those schools are located in the growing northern suburbs of the Gold Coast where two primary schools and a new high school are being constructed to meet population growth. While those new schools are being built, it is also a priority of the government to build and redevelop hospitals around the state.

A couple of weeks ago I was at the new hospital being built at Mackay. Construction of the new utilities building at the back of the site will be underway by the end of the year. We are redeveloping and expanding Cairns Hospital to meet growing demand and are also planning for the future provision of a site for new health facilities to meet the growth occurring to the south of Cairns. As I have mentioned, we are redeveloping the hospital in Mount Isa. Those are chief amongst our priorities for health and education. In fact, this is a record health budget in terms of both its outlays and its capital works. We also see generally—and this is the best test of this—Queensland far outpacing what is occurring in other states.

CHAIR: The time allocated for government questions has expired. Member for Moggill?

Dr FLEGG: Thank you, Madam Chair. Treasurer, given the soaring cost of electricity which does not appear to be likely to improve any time soon, can you detail for us a very large item in the budget, which is the payment to Ergon for its CSO? Can you indicate to us the impact that the soaring price of electricity will have on that commitment for the CSO to Ergon?

Mr FRASER: I can. In providing that answer I would make some remarks generally about the nature of our holdings. Given that we own a generation portfolio and given that we own Ergon as a retailer for that CSO, if you like there is a natural hedge to those arrangements. To the extent that the price of electricity or the pool gets a spike that requires Ergon to purchase what it might on-sell in the retail sense at a higher level and commensurate with that, if there is an elevated price in the electricity pool the generators are in a position where one component of assets in the government's ownership is hedged against the other. Therefore, obviously one of the things that is relative to your question about the pure CSO payment to Ergon is that generally that will be alongside the other generators in government ownership being in a position where they are on the other side of that transaction.

I am not sure that I have the exact figure for you at the moment, but I can take it on notice. I might even be able to provide it in the four minutes we have left.

Dr FLEGG: Treasurer, as we spoke about before I note the obvious problem that the government is having in providing PPPs, with very limited PPPs completed, the private consortium having walked away—

Mr FRASER: Just one.

Dr FLEGG: Yes; the private consortium, thank you.

Mr FRASER: A private consortium.

Dr FLEGG: And the issues that obviously concerned the private sector about the staffing conditions that were put on their bid, as well as the hybrid financing model which, despite what you said before, I am aware is of concern to the private sector. Will you undertake to release to the committee the full details of that proposed financing model?

Mr FRASER: The transaction is being undertaken through Education Queensland. I do not propose to provide an obligation on Education Queensland other than to warrant to you that the nature of the model is obviously before the bidders at the moment so any consideration of that would require the transaction to have been completed. I am sure you can appreciate the commercial reality around that. I would remark that it is a consortia that has seen fit to not continue. In the paper today they said that one of the reasons they have done that is because there are so many other people contesting it. I think that belies the notion that there is a lack of interest or confidence in the model.

To the extent that there is interest in this model, I suggest to the people interested in bidding for this PPP that it would be one PPP more than what the Liberal Party is proposing at the moment. To that extent I am not sure that without hypocrisy it is open to the pursuit of a suggestion that there is a requirement to tell industry that you have a different view about PPPs. You are on the record as voting against it and, therefore, I find it passing strange that your line of questioning now suggests that the PPP model is somehow not to the benefit of industry. If it was up to you guys they would not even be looking at the bidding stage. I know that you have put forward the *Seinfeld* view that there is good debt and bad debt. I was not aware of the fact that there were good PPPs and bad PPPs.

Dr FLEGG: There undoubtedly is.

CHAIR: Member for Moggill, we have two minutes remaining in this session.

Dr FLEGG: Treasurer, I refer to the SDS 3-259 where it states that the Treasury Department's budget for supplies and services blew out by \$35 million in 2007-08. Can you explain to the committee the reason for this massive blow-out in supplies and services?

Mr FRASER: We are just confirming it, but from memory if I am using the figure that you are referring to as detailed in the notes, subsequent to the budget being finalised a couple of significant transactions occurred. There was the sale of wind and gas assets and the south-east Queensland water restructuring which involved, through that line item reported there, the retention of both legal and accounting advisers and, in terms of the sale of wind and gas, a probity adviser as well. The transaction model that has been undertaken by Treasury for major transactions—either divestments or a restructure such as occurred with the south-east Queensland water transaction effort—requires those additional resources to be marshalled in. They reflect that.

For the sale of wind and gas, as with the divestment of the Golden Casket licence and the retail assets of electricity in the past, those are recouped out of the proceeds of that transaction. In the way it is reported you see a reflection of the additional expense that is incurred, but commensurately there is a recoupment of those expenses for the advisory teams that are put in place for transactions of that size and nature in the transaction process. Therefore, in the end those amounts are recovered when it comes to an asset divestment. The answer to your question lies in the significant transactions that were undertaken both in terms of the south-east Queensland water restructuring and the sale of wind and gas post the finalisation of the previous budget.

CHAIR: Thank you. The time allocated for the consideration of the estimates of expenditure in the Treasury portfolio has expired. On behalf of the committee, I thank you, Treasurer, and your departmental officers for your attendance. The transcript of the hearing will be available on the Hansard page on the parliament's web site within approximately two hours. The hearing is now suspended for a short break. We will resume at midday with the Minister for Health.

Mr FRASER: I take this opportunity to thank the members of the committee for their examination of the budget. More particularly I thank the people to my right and left and behind me who have worked so hard to reach this point in time.

CHAIR: Thank you.

Mr FRASER: Before the committee breaks, the CSO to Ergon is \$464 million. I do not think there is anything else on notice.

Proceedings suspended from 11.46 am to 12.00 pm

ESTIMATES COMMITTEE B—HEALTH

In Attendance

Hon. S Robertson, Minister for Health

Queensland Health

Mr M Reid, Director-General

Ms R Ramsay, General Manager, Northern Area Health Service

Dr S Duckett, Executive Director, Reform and Development

Mr M Kalimnios, Executive Director, Corporate Services

Dr L Selvey, Chief Health Officer (Acting)

Dr A Groves, Director, Mental Health

Mr C Carpenter, Senior Director, Capital Works and Asset Management Branch

Mr M Walsh, Chief Executive Officer, Major Hospitals Project Office

Dr R Thomas, Chief Dental Officer (Acting), CaSS

Ms J Giles, Manager, State Funding

CHAIR: The hearings of Estimates Committee B are now resumed. The next item for consideration is the proposed expenditure for the organisational units within the portfolio of the Minister for Health. On behalf of the committee, I welcome the minister, departmental officers and members of the public. I would like to introduce the members of the committee. I am Vicky Darling, the member for Sandgate and the chair of the committee. Dr Bruce Flegg, the member for Moggill, is the deputy chair. The other committee members are Mr Vaughan Johnson, the member for Gregory; Mr John-Paul Langbroek, the member for Surfers Paradise; Mrs Christine Smith, the member for Burleigh; Hon. Dean Wells MP, the member for Murrumba; and Mr Wayne Wendt, the member for Ipswich West.

I remind members of the committee and the minister that under standing orders 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 and answers 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. I ask departmental officers 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 remind you all to please ensure that your mobile phones and pagers are switched off or switched to silent.

I now declare the proposed expenditure for organisational units within the portfolio of the Minister for Health open for examination. The time allocated is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, do you wish to make an opening statement? I remind you that there is a limit of five minutes for such a statement.

Mr ROBERTSON: Chair, committee members, thank you very much. The \$8.35 billion budget for Queensland Health is yet another record and continues to demonstrate the Bligh Labor government's very strong commitment to building a world-class health system for all Queenslanders. We are now halfway through rolling out our \$10 billion five-year Health Action Plan, and by any measure significant progress has been made over the past 2½ years. This year's record budget represents a 16.8 per cent increase on 2007-08. Not only has the Bligh government committed unprecedented funding to addressing the challenges the Queensland health system faces, it now has the capital, services, staffing, plans and initiatives underway to take health services in this state into a new era.

This year's Health budget focuses strongly on demand management and critical service needs within our hospitals and community health centres. The Bligh government has committed recurrent funding of \$654 million and capital funding of \$472 million over four years to meet increasing demand. We have particularly targeted areas of unavoidable activity including emergency department admissions, birthing services, emergency surgery and extra services resulting from hospital

redevelopments. These are being progressed against a backdrop of major investment in three new tertiary hospitals in south-east Queensland worth some \$3.8 billion. Over \$230 million will be spent this year on these three important strategic projects.

In addition, we have been flat out with service and infrastructure planning for our key regional centres particularly in central, north and far-north Queensland. Most notably, Mount Isa Hospital will undergo a significant redevelopment, Cairns Base Hospital will receive a major expansion and Mackay residents will enjoy in effect a brand new hospital. In total, these projects are worth \$900 million, and this year's budget allows all three to commence to meet the needs of these fast-growing regional centres.

It is important to take this opportunity to briefly explain the new reporting measures in the Service Delivery Statement. Commensurate with our ongoing commitment to being more open and accountable, we now produce and publish data that is essentially clearer and more meaningful to both public and department alike. Our Service Delivery Statement is also delivering on a report completed last year by the Auditor-General, who found minimal alignment between the department's operational and strategic plans, the old ministerial portfolio statements and the annual reports. There should be more of a focus on performance measurement, and that is exactly what you see here in the Health SDS. It is also more comprehensive. There are now 52 performance indicators across six new Queensland Health outputs compared to 36 indicators across five outputs in last year's MPS. Importantly, there are a number of performance measures reporting on both Queensland's Indigenous and non-Indigenous population, reflecting our commitment to close the gap of disadvantage.

Overall, we now have a more robust and accountable means of presenting Queensland Health's activities and performance which is better for both public scrutiny and self-improvement. Chair and committee members, the Queensland Health budget recognises the Bligh government's commitment to meeting ever-increasing demand for public health services in this state. With demand for acute and community based services increasing at many times the population as a result of a growing, ageing and increasingly chronic diseased and obese population, we cannot afford to take our foot off the accelerator in expanding the range and reach of our essential health services. This budget continues to deliver on meeting those challenges. I would now like to hand it over to the committee. Thank you.

CHAIR: Thank you, Minister. The first period of questioning is allocated to non-government members. I call the member for Surfers Paradise.

Mr LANGBROEK: I welcome the Minister for Health, the new Director-General, Mr Reid, and all of the Health staff who are here today, and thank you for the briefing the other day on the changes to the SDS. My first question refers to the answer to the prehearing non-government question on notice No. 1. Last year in the same answer to the same question the minister advised us that area health service budgets for 2007-08 were planned to be \$5.85 billion—and I table a copy of that—not the amount provided in the answer yesterday. Today we find that forecast expenses for area health service budgets for 2007-08 is \$6.56 billion. Will the minister explain to the committee how these budgets have blown out by \$711 million? Can we expect the same blow-out in 2008-09?

Mr ROBERTSON: I thank the member for the question. I actually would not call it a blow-out. One of the things that happens in government is that you set the budget annually but about halfway through the year departments are invited to put forward submissions to the Cabinet Budget Review Committee. It is called the mid-term review. What that means is that, if government has more money in its coffers than was predicted at the beginning of the financial year, departments including my own are invited to make submissions on where we might want to increase expenditure and expand services. That is essentially what happened during the course of last financial year. We picked up additional money to allocate to initiatives which we announced at the time, such as expanding elective surgery throughput, meeting ever-increasing demand coming through our emergency departments, employing more clinical staff and others. So it would be wrong to say that that is a budget blow-out. Rather, it reflects our ongoing desire to utilise additional funds, where they become available, to expand services.

Mr LANGBROEK: It is \$711 million though. I just ask the minister about the quantum.

Mr ROBERTSON: But in a \$7 billion budget I think you need to put that in context.

Mr LANGBROEK: Can we expect potentially the same thing in this year's budget?

Mr ROBERTSON: I certainly hope that there will be additional funds made available during the course of the year. If there are, I will be putting in submissions to the Cabinet Budget Review Committee to get Health's fair share of that funding, because the more money I get the more people we can put through our hospitals to make, in effect, sick people well, and that is what we are in the business of.

Mr LANGBROEK: Minister, given that the Health budget is currently up to a quarter of the state's annual budget, do you consider that it is appropriate that we have an increasing percentage of that state budget being devoted to health? Should it be more than 25 per cent?

Mr ROBERTSON: What I would like to see is a greater contribution come from the Commonwealth. In effect, what we started with nearly 10 years ago was a fifty-fifty split between the Commonwealth and the state in funding for our public health system in this state. Over the last decade

under the previous coalition government, that has become what is now a 34-66 split in the state's favour. Whilst I would be more than happy to see the Treasurer of this state provide me with additional funds, as we have been talking about publicly over the last couple of years now, I would like to see a greater contribution come from the Commonwealth. That is in fact the tenor of the discussions we have been having since the change of government in November last year. To restore the Commonwealth government's contribution to fifty-fifty, this year alone the Commonwealth would have to tip in an additional \$2 billion. That is the gap that has opened up under the previous Howard government, and that is a gap I would like to see dealt with under the auspices of a new Australian Health Care Agreement.

Mr LANGBROEK: Thank you, Minister. I refer to the Capital Statement page 3 and pages 65 to 69. Will the minister reconcile differences between table 1.1 on page 3, which has estimated actual spending for 2007-08 for capital outlays as \$613.734 million, but in the table on pages 65 to 69 the detailed expenditure to 30 June 2008 for health totals \$750,931,000.

Mr ROBERTSON: So you are comparing the estimated actual of \$613.734 million on page 3—

Mr LANGBROEK: That is right.

Mr ROBERTSON: Where does the figure appear—

Mr LANGBROEK: On pages 65 to 69. I have had to total the figures in the column to the left-hand side of the budget 2008-09 figures. I understand that you may not be able to do that here and now.

Mr ROBERTSON: We will take that on notice if you do not mind.

Mr LANGBROEK: I seek some clarification there.

Mr ROBERTSON: We should be able to deal with that over the lunch break.

Mr LANGBROEK: Thanks, Minister. I refer to the prehearing non-government question on notice No. 2 and SDS 2-120. I ask the minister to explain to the committee why only 69 beds will be opened in all of Queensland in 2008-09 to add to our current 10,234 beds—an increase of less than 0.67 per cent—when the Queensland Health budget has increased by 16.8 per cent, when everyone has identified bed numbers as one of the major problems affecting health delivery in Queensland and when his own quarterly performance reports show that patients admitted for more than one day—therefore needing a bed—increased by more than 26,500 last year or 5.8 per cent?

Mr ROBERTSON: The answer that we have provided you with is what our election commitment was back in 2006, which of course you will recall provided for a significant increase in beds far beyond anything that was promised by the coalition during that election campaign. I am a little surprised that you would be somewhat critical of the outline of beds over the term of this government given that you fell well short of promising an increase in beds during the last election campaign. That is what those numbers reflect—our election commitment.

Reflecting on your first question, as a result of being able to secure additional funding to that which was promised during the election campaign in our forward estimates, we have been able to secure additional funding for opening more beds. For example, on the Gold Coast we have purchased that former retirement village at Carrara, which adds 66 beds I think from memory to that total. That is in addition to our election commitments. There is that and a number of other initiatives throughout the state that actually build on our election commitments. It is not correct to say that we will only be getting 69 additional beds this year. There will be other projects on top of our confirmed election commitments that will boost that number even higher.

Mr LANGBROEK: There were 333 additional beds in the financial year ended June 2007-08 and 302 in 2006-07. So there is obviously a steep decline planned for 2008-09 with only 69 beds added to the 10,234.

Mr ROBERTSON: No. For example, as I mentioned, you would have to add on to the 2008-09 figure the additional beds down your way.

Mr LANGBROEK: I think they are in that table, Minister. I think the 66 beds are included in that.

Mr ROBERTSON: No, they are not. Then you look at the additional beds I announced at Nambour last week, so there are other projects. What it actually reflects is also the timing of various capital works coming to conclusion where we can actually open and commission the additional beds. For example, if we provided details in addition to 2008-09, you would see other projects up and down the coast coming online. You would see Townsville come online next financial year, 2009-10. You would see additional beds in Cairns come online. You would see additional beds in Rockhampton come online during that year as well. These kinds of things do tend to be lumpy based on how capital works get completed and brought online.

I do not think it would be appropriate to suggest in any way that because 2008-09 in terms of our election commitments represents a total less than the previous year we are taking our foot off the accelerator, because as we know, with the opening of the three new hospitals starting from 2011, we will see a significant increase in beds in those years which we are spending money on now to actually

secure. Again, I would just reiterate that the figure you see there is an election commitment. We are building on top of that 69 beds this year in terms of openings, and we will see further increases in the years ahead. Between 2006 and 2016, if I recall correctly, we have committed to opening in total 2,500 new beds across the state. That is the measure of our commitment over the decade commencing in 2006.

Mr LANGBROEK: Thank you, Minister. I wonder if the minister could provide on notice the actual number of beds that are planned to be opened in 2008-09 in addition to the 69 that are here. The question was very clearly asked in the question on notice: how many beds will be opened in Queensland public hospitals in 2008-09? It did not refer to Labor Party election promises in the 2006 campaign. I am happy to be corrected by you as to how many beds will actually be opened and where they will be.

Mr ROBERTSON: Sure.

Mr LANGBROEK: That is fine?

Mr ROBERTSON: Yes.

Mr LANGBROEK: For my next question, I refer to non-government questions on notice Nos 6 and 10 with regard to the recruitment of overseas medical professionals. Those answers show that they have cost millions of dollars in officer trips and consultancies. How many people were interviewed? How many have signed up? How many are now working for Queensland Health in the categories of doctors, nurses and allied health professionals since the programs began by year? What is the status of these recruitment measures going forward?

Mr ROBERTSON: As we have seen, there has already been a significant increase in clinical staff numbers over the last number of years. Since July 2007, over 360 overseas health professionals have commenced with Queensland Health using the 'work for us' online facility. A further 135 international candidates have been appointed and await commencement and 54 have been offered a position. The 360 recruits include 138 doctors, 55 allied professionals and 167 nurses. We of course continue to advertise in professional publications and be represented at the key medical, nursing and allied health conferences and career expos that were mentioned in your question. For example, a dedicated mental health recruitment campaign conducted in March this year resulted in a total of 134 mental health professionals recommended for appointment, including five psychiatrists, 51 nurses, 22 occupational therapists, 34 psychologists and 22 social workers.

So as of the end of June 2008, Queensland Health has now employed 2,600 more doctors, 5,213 more nurses and 1,909 more allied professionals than three years ago, June 2005. I would suggest that, by any measure, that has been a very successful recruitment campaign in light of both national and international workforce shortages. It has allowed us to expand services in this state remarkably over the last number of years. I think that would measure up as a successful recruitment campaign.

Mr LANGBROEK: Thanks, Minister. Madam Chair, can I ask the minister the status of those recruitment programs going forward?

Mr ROBERTSON: We will continue to recruit both domestically and overseas to meet our needs. I think I may have said in answer to a question in parliament maybe a month or two ago that we are probably changing our focus with our recruitment campaign somewhat. Because we have been so successful in securing bulk numbers of doctors—if I can use that term—what we now want to do is turn our attention more so to recruiting particular specialists so that we have the right mix between junior and senior specialists and surgeons. This is for a number of reasons, but particularly so that as we see that increased number of trainees and registrars come through we actually have the senior clinical staff who can provide them with their ongoing training within the system. So it is a bit of a balancing act that we put in place in terms of who we now recruit so we do actually meet not just the clinical needs of our hospitals but also our training needs.

Mr LANGBROEK: Thank you, Minister. I refer to SDS 2-112, the Queensland Children's Hospital. I refer to the Children's Hospital to be built at the Mater Hospital site and I ask: given the board's structure of three nominees of Queensland Health, three nominees of the Sisters of Mercy and one chairman nominated by Queensland Health but acceptable to the Sisters of Mercy, as in the minister's press release of 9 May 2007 which I table, can the minister confirm that control of the facility will not be maintained by Queensland Health but will be subject to a notional power of veto by the Sisters of Mercy?

Mr ROBERTSON: No. It is a Queensland Health facility with the director-general of Queensland Health being responsible for that hospital.

Mr LANGBROEK: Thank you. For my next question, I also refer to the Queensland Children's Hospital. Will the minister guarantee Queenslanders that an all-options, genetic, family planning and IVF service will be provided, given that this is a state-of-the-art hospital now costing over \$1 billion, and can the minister explain to the committee how it will be provided in a church controlled institution?

Mr ROBERTSON: One, it is not a church controlled institution. All along, in every meeting with the Mater and every meeting with staff from both campuses, every statement made by me, the previous director-general and the Premier has emphasised that this is not a Mater facility; it is a Queensland Health facility. The services offered will not be impacted by the geographic co-location of the Queensland Children's Hospital with the Mater. In fact, I have just been reminded that we actually have a letter from the archbishop saying that the services to be provided at the Queensland Children's Hospital do not offend the principles underpinning the canon law. So that is not impacted whatsoever.

If you have evidence of something that is being suggested that may be impacted, I invite you to please make it available to us and we will have that checked out. I have been quite consistent, as has the Premier, in our determination to ensure that there would be no inappropriate influence—if I can use that term, and I hope that is okay—by the geographic location of the Queensland Children's Hospital adjacent to the Mater.

Mr LANGBROEK: In that case, can the minister advise whether the draft health services plan for the hospital has an all-options, genetic, family planning and IVF service planned and intended for what I understand might be the first time in Queensland public hospitals?

Mr ROBERTSON: I might get Michael Walsh to answer that question. No, he is not in a position to answer that so we may have to take it on notice. I thought Dr Alan Isles may have been here but he is not currently so we will get that information to you.

Mr LANGBROEK: That is fine. Thank you, Minister. I refer to SDS 2-112 of the Queensland Children's Hospital. I refer to staffing appointments and I ask whether an area of need has been artificially created leading to appointments of non-Australian trained surgeons/perfusionists being flown in from New Zealand at great costs? Have qualified staff from Prince Charles Hospital who had written guarantees that their jobs would be transferred now been told they are not required? How many of the 25 new specialist positions referred to in the minister's press release of 9 May 2007 in paediatric cardiac services have transferred to the Mater Children's as part of the process to eventually become part of the Children's Hospital?

Mr ROBERTSON: I think the best way to answer this question is to say that all staff were provided with the opportunity to transfer across from Prince Charles to the relocated paediatric cardiology service at Mater. It is also fair to say that that transfer process resulted in some employees putting forward requests for changes to their current conditions that did not quite meet existing expectations of salary and employment conditions. As a result of that, a number of employees failed to reach agreement to transfer their location of employment from Prince Charles to Mater. As a result, if I remember correctly, a couple of them were offered alternative positions at Prince Charles moving away from paediatric cardiology to adult cardiology. I think one in particular had qualifications in both fields and decided to now specialise in adult cardiology. Another very senior and very well-respected paediatric cardiologist took the opportunity to retire based on age, as I understand it. So it is true to say that not all employees transferred across but there were particular reasons, without going into the particular arrangements.

Mr LANGBROEK: Thank you.

CHAIR: Thank you, Minister. The time allocated for non-government questions has expired. Minister, I refer to page 2-114 of the SDS and the improvements to staff accommodation in remote locations. Can you please inform the committee of the government action that was undertaken to improve staff accommodation, specifically in the Torres Strait region?

Mr ROBERTSON: Thank you very much. Health services in the Torres Strait have been gradually returning to normal over the past couple of months. In fact, a lot of work has been done to improve services in the region. During the past few years, our government has invested more than \$100 million in staff accommodation in regional areas—an unprecedented level of expenditure for Queensland Health housing. We understand that our doctors and nurses across Queensland, particularly in the most remote areas, deserve nothing less than safe and comfortable housing. The Torres Strait has been one of the many beneficiaries of this funding. The commissioning of two new health facilities with staff accommodation on Warraber and Erub or Darnley islands was fast-tracked, and both centres should be operating and occupied within the next month or so. This year's budget also included funds to kick off a \$5.7 million primary health care centre with new staff accommodation on Saibai Island. More broadly, urgent maintenance works that were identified by management and nurses were completed in May.

On Mabuiag Island, a contract male nurse is reportedly satisfied with the improvements made to the clinic and accommodation and is scheduled to return from recreation leave in early August. All other islands in the region with the resident nurse position had their nurses back on deck resuming full services from April this year.

Meetings between the Queensland Industrial Relations Commission, Queensland Health and the Queensland Nurses Union regarding an agreed work plan for the region have regularly taken place—most recently on Monday—and all parties are satisfied with progress made so far. Almost all of the accommodation items in this work plan have been completed. All nurses now have a direct channel of

communication to report any problems with their housing to Q-Build, and these will be acted on as quickly as possible. The development of a maintenance schedule requiring annual visits by Q-Build on each island has also been completed.

However, the work plan contained areas beyond accommodation, such as other security measures and communication. A lot of work has been done finalising on-call arrangements for single-nurse islands. By September, we should have in place a roster of community members on each island who will accompany nurses on out-of-hours call-outs. In the meantime, two health workers are attending call-outs together, whether it be two nurses or one nurse and an Indigenous health worker.

All nurses have been given personal duress alarms and most have completed aggressive behaviour training. In addition, all islands now have Queensland Health vehicles and, where possible, have had the number of phone lines in the clinic increased from one to two. Additional mobile phones are also being supplied as required.

Across the state, Queensland Health has been very busy immediately rectifying maintenance and security issues identified in a minority of staff accommodation during a statewide audit. Extra funding has also been provided in this year's budget to help us complete that work.

Mr WELLS: I refer to the issue of the safety of clinicians and patients, and I ask: what is the government doing to approach the issue of doctor fatigue?

Mr ROBERTSON: During the past 18 months Queensland Health has been developing and implementing a \$3.6 million Alert Doctor Strategy to tackle fatigue related risks for doctors and patients. Queensland Health worked with the University of South Australia's Centre for Sleep Research to build a better working environment for doctors that minimised these risks. To address fatigue related issues associated with work practices, funding of some \$420,000 was provided for initiatives to be implemented in hospitals across the state. Initiatives included ward call practices, a pager policy review, a clinical handover, a roster review, sleep pods and a new night nurse coordinator role. The roster review saw software used to analyse rosters and provided an overview of the potential fatigue hot spots in their rosters. This software has been used successfully in case studies and will be rolled out through Queensland Health facilities over the coming months.

The night nurse coordinator role will facilitate a handover between evening and night medical staff and coordinate and prioritise requests for medical staff assistance during the night shift. On-call rosters for medical staff also present a unique set of challenges. A number of strategies have been tested including looking at work practices to ensure appropriate time away from work after an on-call presentation, the use of napping and managing the frequency of on-call periods for medical staff.

A review of on-call rooms throughout Queensland has also been done, with funding of some \$700,000 allocated to improve the standard of on-call facilities for doctors. We hope to increase the utilisation of on-call rooms that provide appropriate napping or rest facilities for medical staff on evening and night shifts and when on call.

A third forum in a three-part series on fatigue risk management was held in Brisbane in April this year. The forum essentially finalised the development of our statewide policy for fatigue risk management. The Alert Doctor Strategy was rolled out on 1 July this year. These new standards will help reduce doctor fatigue throughout Queensland. It requires all districts to have in place a fatigue risk management system by 30 June next year, with protocols in place to address extreme risk levels. A statewide roadshow throughout June introduced the fatigue risk management approach to facilities. The project will continue to support the implementation of the policy over the next two years by providing expert advice, a comprehensive resource pack to implement the framework, and an education and training program for all medical staff.

I think it is worth noting that we are the first state in Australia to roll out such a fatigue risk management strategy for our doctors—something I know, for example, that Dr Flegg would have certainly welcomed in his younger years. You should have chosen Queensland before New South Wales, Bruce.

Mr WELLS: I refer to page 68 of the Capital Statement and to budget expenditure for forensic science enhancement. What does this initiative involve, and how is Queensland's Forensic and Scientific Services performing it?

Mr ROBERTSON: Our Forensic and Scientific Services are, without doubt, in much better shape than they were three years ago, when I commenced as health minister. Back then, I approved 71 action items recommended by a substantial and quite public review of the services. I am pleased to report to the committee that all approved action items have been completed with the exception of some building works, which are well advanced and due for completion this October, as contained in the Capital Statement referred to earlier.

Specifically, the number of DNA exhibits waiting to be tested has decreased from 23,000 at the end of 2005 to around 3,000 today, or the equivalent of six weeks of new submissions. Consistently over the past 18 months, DNA analysis required by the Queensland Police Service is being completed on

time for agreed court dates. It is not due to a lack of demand. In fact, we are seeing the opposite right now. Increased police activity and the wider use of this technology is resulting in the reliance on DNA testing, which increased by about nine per cent a year. Our staff continue to work closely with police to streamline sampling, analytical and reporting processes to further improve turnaround times for DNA analysis.

Testing clandestine laboratories is another area that has seen a lot of improvement. Despite a recent increase in demand, Queensland Health is meeting court requirements for analysis in clandestine laboratory cases. Prioritisation of clandestine laboratory cases in collaboration with the Queensland Police Service, Queensland Health's Forensic and Scientific Services and prosecutors has been introduced. This process prevents the unnecessary expenditure of resources on cases where the defendant is unknown, pleads guilty or is proceeding through a mental health assessment.

Of the 100 clandestine lab cases on hand, 76 are awaiting joint prioritisation. A further 24 prioritised cases are being analysed. Four new clandestine laboratory field chemist positions were created through the recent review and two were filled in June 2006. To address the skills shortage due to the highly specialised nature of the work, a training program was undertaken to allow suitably skilled scientists to fill remaining positions. The field chemist positions have now been filled. Recruitment is well underway to also fill consequential vacancies and other vacancies caused by retirement and resignations. The laboratory is also completing the recruitment and training of new clandestine laboratory staff to fill vacancies caused by retirement and resignation. This will assist in meeting the current upward trend in demand. Due to agreed prioritisation protocols between the Queensland Police Service and Forensic and Scientific Services, there will always be a number of exhibits in process, under review or awaiting advice from police.

Mrs SMITH: Minister, population growth on the Gold Coast continues to put pressure on all services, but can you advise how health services continue to improve as a result of the Health Action Plan and the record Health budget?

Mr ROBERTSON: Member for Burleigh, thank you for your question. To give the best idea of just how serious our government is about improving health services on the Gold Coast, you should look at the investment we are making in this region. We have a capital expenditure program approaching \$2 billion, with a fast-track program to deliver those services as soon as possible. Major projects include the new 750-bed Gold Coast University Hospital, worth some \$1.5 billion and with an opening date of 2012, and the Robina Hospital expansion, with an allocated budget of \$240 million and full completion date of 2012 but with most beds coming online by late 2010. Both projects are getting well and truly off the ground. This year \$103.7 million has been allocated towards the new hospital project and \$55.4 million has been allocated towards Robina.

In addition, there is a comprehensive package of strategies to address service demand while the major projects come online. In 2008-09 a total of \$75 million in both capital and recurrent funding has been provided to help manage increasing demand on the Gold Coast. This funding builds on projects already delivered by our government on the Gold Coast. The new \$42 million Robina emergency department, 10-bed intensive care and coronary care unit, and extended renal service commenced operation last September. The new emergency department has treated over 28,500 patients in the first financial year, with capacity to treat over 30,000 each year. A 20-bed ward and a 14-chair renal dialysis unit at Southport were also opened last November. Twelve transitional care and interim care beds were leased from Tricare last August, and the Lifecare, Carrara facility was purchased to provide an additional 63 beds—I think I said 66 earlier; I apologise—greatly relieving pressure on our acute care hospitals.

In addition, we have relocated 20 palliative care beds from Robina to the Pacific Private Hospital to allow an additional 19 acute mental health beds to open at Robina. We are also subleasing the private Allamanda Surgicentre for a period of five years. Through the centre we will run three operating theatres and a variety of specialities including ophthalmology, general surgery, orthopaedic surgery, faciomaxillary surgery, gynaecology, ear, nose and throat, and dental.

Starting in the next few weeks, this extra capacity will allow the district to create extra room for services at Robina and focus on trauma and more complex surgery at Southport. The estimated additional 6,000 cases per year when fully functional will improve the speed of access to surgery for patients with the aim of reducing waiting lists. We are also expanding cancer outpatient services to provide a comprehensive stand-alone consulting centre, and this will see the doubling of patients seen from 150 to 300 by the end of next year and eventually move towards 450 each year.

Mrs SMITH: Queensland Health continues to exceed the recruitment targets. Earlier you answered a question relating to extra doctors, nurses and allied health staff. I am wondering if you can advise how this recruitment program reflects on the Gold Coast recruitment and retention.

Mr ROBERTSON: Addressing critical workforce shortages and increasing the number of doctors and other health professionals has been one of the biggest success stories of our public health system, as I mentioned earlier. Headcount and full-time equivalent data from June 2005 to June 2008 clearly shows that significant net increases have occurred in all three clinical occupational streams. This has been the result of rather aggressive and relentless recruitment and retention strategies.

The targets we set as part of our Health Action Plan were 300 more doctors, 500 new nurses and 400 new allied health professionals, all of which were achieved six months in advance. The total number of medical staff including VMOs has now increased by 35 per cent since June 2005, from a headcount of 4,552, or 3,720 full-time equivalents, to 6,152, or 5,249 full-time equivalents, in June 2008.

Nurse headcounts have increased by 24 per cent since June 2005 from 21,911, or 17,126 FTEs, to 27,124, or 21,434 FTEs, in June 2008. Likewise, a 27 per cent increase has been recorded in the headcount of allied health staff from 6,934 allied health professionals, or 6,026 FTEs, in June 2005 to 8,843, or 7,723 FTEs, in June 2008. So, a total clinical headcount of 42,119, or 34,407 FTEs, made up about 60 per cent of our total workforce in June 2008. Adding in other essential hospital staff such as cleaners and wardsmen puts paid to any notion that Queensland Health is an oversized bureaucracy. Eighty-nine per cent of the Queensland Health workforce is primarily involved in providing direct services and care at hospitals and in health service districts across Queensland.

I think it is worth reminding that, to address the previous Commonwealth government's underfunding of doctor student places, we funded 235 doctor training places at Griffith University for which we have now subsequently been reimbursed by the new federal Labor government. Through this investment in 2008, there are currently 133 bonded medical scholarship holders, with an additional 51 to be recruited at the end of both 2008 and 2009 for the university's 2009 and 2010 intakes. As a result of targeting international recruits, since 1 July 2007 over 360 overseas health professionals have commenced with Queensland Health using the 'Work for Us' online register. A further 135 international candidates have been appointed and await commencement and 54 have been offered a position. I will mention the breakdown of those 360 recruits—138 doctors, 55 allied health professionals and 167 nurses.

Mr WENDT: Minister, good afternoon. We briefly discussed earlier the \$10 billion Health Action Plan, which represents a massive investment by the Bligh government to improve health systems in Queensland. Could you please advise whether the Commonwealth is finally coming to the party to provide its fair share of health funding for the Queensland public hospital system?

Mr ROBERTSON: I think this builds on an answer I provided to the opposition health spokesperson earlier. Maintaining an equal share of health funding has been the source of great frustration amongst the states and territories over the past 10 to 12 years. During the 1990s, funding responsibility for public hospitals was more evenly shared. However, the Commonwealth's share of Queensland's public hospital funding declined significantly, particularly during the past five years, under the Australian Health Care Agreement. It fell from 46 per cent in 2003-04 to 34 per cent in 2007-08. What used to be in effect a 50-50 split has become a shameful exercise in cost shifting.

However, there are promising signs that this regrettable trend is starting to turn around. For instance, the Commonwealth government agreed to the state's request for an immediate injection of funding for public hospitals. This resulted in an extra \$97.3 million for Queensland in 2008-09. The Commonwealth also decided to extend the current agreement by one year while a new, fairer agreement is negotiated for the long term. It has agreed to apply the usual indexation arrangements during this time which will yield approximately an extra \$100 million for Queensland in 2008-09. In addition, the base funding for the next agreement and the escalation arrangements which respond to rising costs will be reviewed.

The Commonwealth has clearly recognised that its funding contribution has declined and has committed to a proper funding share. Outside the agreement it is providing extra money for specific services, particularly elective surgery. In 2007-08 Queensland received \$27.6 million to treat a further 4,000 long-wait patients. In the second stage of this funding initiative Queensland will receive \$29.2 million to enhance infrastructure so we have the building capacity to perform additional elective surgery.

Canberra has also acknowledged that Queensland invested in university medical places to deal with the growing shortage of doctors left behind by the previous Commonwealth government. In the recent Commonwealth budget \$100 million was provided to reflect that Queensland was effectively doing the Commonwealth's job for it. The signs are promising, but the final chapter is yet to be written. We need to be sure that the proper share of public hospital funding is consistent with what we think is a fair share.

As the government's recent budget demonstrates, Queensland continues to increase its contribution to public hospital funding and the Commonwealth will have to invest significantly to match our effort. I as health minister will continue to keep the pressure button on during national talks.

Negotiations over the next four to six months will determine whether the very promising start made by the Commonwealth will materialise into a near restoration of the previous balance in funding shares. I certainly hope and expect this to be the case.

CHAIR: I declare that the time allocated for government questions has expired. I call the member for Surfers Paradise.

Mr LANGBROEK: I refer to an answer that the minister gave to, I think, the member for Burleigh about overseas recruitment. Would it be possible to get on notice the recruitment figures of doctors, nurses and allied health professionals by country since the recruitment program began?

Mr ROBERTSON: For the last three years?

Mr LANGBROEK: Yes, since the intensive recruitment program started.

Mr ROBERTSON: Sure. I do not think that would be a problem. There is a rule about the answers being provided within 24 hours, is there not?

CHAIR: They are to be provided by 10.30 am on Tuesday, 22 July.

Mr LANGBROEK: I refer to the SDS at page 2-112, the Queensland Children's Hospital. I refer to the draft health services plan for the new Queensland Children's Hospital and the proposed outsourcing of paediatric pharmacy services to Mater Health Services. Will this not be potentially more costly? How does outsourcing outweigh the benefits of having Queensland Health's Poisons Information Centre and a central team of paediatric specialised hospital pharmacists on site who lead and provide support, knowledge and training to medical practitioners on site and throughout Queensland?

Mr ROBERTSON: I will ask Michael to provide that answer.

Mr Walsh: The valuation of the outsourcing of the pharmacy services for the Queensland Children's Hospital is being undertaken as a value-for-money assessment. Therefore, it will not be outsourced unless it represents good value for money for the hospital. That also needs to be moderated by ensuring that it produces good clinical outcomes and sound clinical outcomes as a result of outsourcing the service.

Mr LANGBROEK: I refer to the Capital Statement at page 68, the Queensland mental health plan. I note on page 21 of the plan—and I table that—there is a target of 40 beds per 100,000 total population—acute mental health beds. At the moment on the Gold Coast there are 100 beds, or 20 beds per 100,000 population. So in 10 years we should have 240 beds, according to this target, when we will have a population of 600,000. At 40 beds per 100,000 that would be 240 beds. Can the minister tell us where these beds may be, as they have not been mentioned for Robina Hospital or the new Gold Coast University Hospital?

Mr ROBERTSON: Thank you, member for Surfers Paradise. As you are aware, in addition to the launch of the Queensland mental health plan we have backed that up with a significant injection of new funds to expand mental health services in this state. For example, in 2007-08 I announced a record funding increase of some \$528.8 million to improve access to quality mental health services in Queensland. This funding includes \$121.5 million for more than 270 new, upgraded or redeveloped acute and extended treatment beds that meet contemporary standards.

In 2007-08, \$18.1 million in capital works and equity funding was allocated. Of this \$18.1 million, \$13 million was allocated to commence work on the 17 capital works projects and \$5.1 million was allocated to accommodate new community mental health staff. During 2007-08 a total of approximately \$9.4 million of the capital works funding will have been expended on mental health projects. This includes a predicted \$5.6 million on in-patient projects and \$3.8 million on accommodating community mental health staff.

Hospital master-planning projects at Logan, Caboolture and Mackay hospitals have impacted upon the establishment of mental health in-patients at these sites, resulting in lower than projected expenditure. At Logan, development of the new unit will require relocation of existing services. Some \$15.5 million has been allocated this year to facilitate this move. The unspent dollars will be rolled over to the mental health capital works program in the following years.

In its first year of implementation, planning and site acquisition has commenced on the 17 capital works projects identified in the budget outline. These projects include: a new 25-bed acute unit at Logan; four acute aged-care beds at Rockhampton; a new 20-bed acute unit at Caboolture; a new 30-bed acute unit at Mackay; new community units in West Moreton, South Burnett and the PA Hospital health service district; two new community care units in the south side health service district; upgrading the extended treatment and secure unit in Townsville; nine additional high-secure beds incorporating a five-bed HDU at the Park Centre for Mental Health; the redevelopment of services currently located at the Park Centre for Mental Health to provide 20 new extended-care beds for forensic patients; a new 15-bed adolescent extended-care unit to replace the Barrett Adolescent Centre; a new eight-bed child and youth unit in Toowoomba; a six-bed child and youth unit at Townsville; a new 23-bed medium secure unit at Caboolture; and five additional aged-care extended-treatment beds at the Sunshine Coast.

When completed, these projects will deliver 140 new mental health in-patient beds. Implementation will continue in accordance with the schedule established in the mental health capital works program for the next four years.

Mr LANGBROEK: Can I go back to the specifics of my question. Can the Gold Coast look forward to over the next 10 years, when the population is 600,000, having 240 beds as per the target in the mental health plan?

Mr ROBERTSON: The new Gold Coast University Hospital is planned to open in 2012. That hospital will provide 72 acute mental health beds. That will replace and add to the 44 acute adult beds currently on the Southport Hospital site. These are the numbers that we are planning for at this point in time. There are also interim demand strategies that have been implemented, including increasing the acute beds at the Robina Hospital site by 19. This year a further 11.5 community positions have been allocated to the Gold Coast with associated funding of just over \$1 million. A further 34 positions have been made available to support the community based model of care in the 2007-08 budget. We are progressively increasing the number of beds on the Gold Coast and not waiting for the opening of the new university hospital.

Mr LANGBROEK: I ask the minister again very specifically: can the Gold Coast look forward to having 240 beds as per the target in the mental plan in 10 years from now, when the population is 600,000?

Mr ROBERTSON: That would certainly be our target. But as you know, our budget forecasts only go a number of years out. I certainly aspire to being Minister for Health in 10 years time so that I can respond to your question when you ask it then, and I hope to be able to answer in the positive. We are certainly on target to do so, but our out years do not go quite that far.

Mr LANGBROEK: I refer to the SDS at page 2-116, integrated mental health services and the Queensland Plan for Mental Health. I note that at page 29 of the mental health plan there is a phrase 'Queensland government support implementing routine reporting of key performance indicators to guide service performance activities and facilitate performance monitoring'. Will reporting of performance indicators include regular reporting of six- and 12-monthly suicide statistics of all patients under care—community and in hospital—as well as assaults and deaths associated with the actions of patients under care as well as police shootings of patients under care? If not, why not? What will the key performance indicators be?

Mr ROBERTSON: I might get Dr Aaron Groves to respond to that question.

Dr Groves: At the moment we are working on the basis that there are 13 agreed national KPIs for mental health services. Those KPIs have been developed consistent with the national health performance framework and cover six domains of performance within tier 3 health services. In addition, two new indicators have been developed that cover the safety domain in relation to mental health. They have related to seclusion, which has included issues to do with the proportion of people who may actually become injured as a consequence of seclusion.

At the moment at the national level, the development of stage 2 key performance indicators for mental health services is currently underway. It is hoped that at the end of that process there will be 26 indicators that will cover all elements of performance within mental health services.

To answer the question specifically in relation to suicide and police shootings, they are not currently considered within the scope that is being done at a national level in relation to suicide within the community, partly because many people who suicide within the community are not under the administration of public mental health services. What has been agreed, though, in Queensland is for us to look at the way in which we can capture the number of people who suicide who have had care within public mental health services. That is part of a reporting requirement that has developed in collaboration with the Patient Safety Centre that will allow us to get more accurate data of exactly how many people who suicide were within public mental health services, within a period of time of their discharge from care or continue to remain within care within community mental health services.

In relation to police shootings, can I make the observation that this is in fact a very rare event. The number of police shootings within this country is low, and within Queensland it remains remarkably low despite the obvious attention being drawn to it by the coroner's inquest that you are fully aware of. Clearly, this is an issue that does come to the attention of the coroner. There are reporting requirements about those people who have mental illness who are shot in relation to police matters. That is actually reported. I do not think there is any difficulty in public reporting of that. But, as I say, it is such a rare event that I am certainly not expecting there to be a number reported either annually or six monthly.

Mr LANGBROEK: I refer to page 2-120 of the SDS, integrated mental health services. Can the minister inform the committee whether it is his government's policy that patients should be admitted where they live? I was recently advised of a case where a patient suffering mental illness was told she was unable to be admitted to Robina Hospital as she lived with her parents in Southport and would have to go there. She had to wait for an ambulance transfer, which took hours. Had she driven to a regional

area such as Beaudesert or Rockhampton in her mental state, would she still have had to be transported to Southport for admission? I am happy to provide details of this case should the minister request them. I had a distraught relative who contacted my office about this.

Mr ROBERTSON: I think the best way to handle it is if you make that detail available. We will investigate that.

Mr LANGBROEK: What about the policy itself?

Dr Groves: The policy is quite clear in this regard. The expectation is that people are admitted in the community in which they live. The intention is to provide services as close to home as possible, as you noted in your question. My expectation would be that that is where the person would be admitted. Of course, one of the difficulties is that the distribution of in-patient beds throughout the state is not consistent with that. That is what the Queensland Plan for Mental Health has been about. It has been about developing beds in such a way that people will be able to get admission close to home.

In the interim there needs to be work around relationships so that people are actually able to get in-patient care when they need that. That consequently means that sometimes people will be admitted to a unit that is little bit more distant from where they currently live. Clearly, that is part of what the Plan for Mental Health is about. It is about addressing those particular inequities.

Mr LANGBROEK: Should the person involved ask me to pass it on I will certainly do that. I said that I would ask about this at estimates and I have. I will make sure that I get information.

Mr ROBERTSON: We are happy to investigate that.

Mr LANGBROEK: I refer to the Capital Statement and the Ingham Hospital redevelopment. I ask the minister to explain to the committee how he can say in the *Herbert River Express* on 5 June 2008 that the successful tender to do the project was \$8 million less than originally estimated, which saves the taxpayer money, and then say in the *Herbert River Express* on 7 June 2008—and I table copies of both of those—that any savings will be redirected to other upgrades within the new Ingham Hospital project. Which statement is true? Why do the budget papers not reflect the latter statement? If the first one is true, why does he not get Watpac to do all of Queensland Health's work as he could save 18 per cent on all of the other 15 projects that are either over budget, underspent or behind schedule?

Mr ROBERTSON: That is not a bad thought. I will reflect on that; thank you.

Mr Carpenter: We do seek to put into pre-tender estimates an appropriate level of allowance to reflect industry challenges. At the moment there is a significant amount of pressure on contractors and consultants. In this case and in a couple of other cases we have been quite successful in achieving a better than anticipated tender price. Those funds are then redirected elsewhere across the capital project.

Mr LANGBROEK: Thank you. In that case I am just interested then as to why in the Capital Statement the original figure of \$44 million is still not in there, because that project is now costed at \$36.9 million. Therefore, if the money is redirected, why would it not still be within the Capital Statement?

CHAIR: Minister, would you like Mr Carpenter to answer that question also?

Mr LANGBROEK: Sorry, Minister; you may not have heard that. When Mr Carpenter said that the money can be redirected elsewhere within the project, then my question is why it does not actually appear in the Capital Statement and the actual budget for the Ingham Hospital has gone down to \$36.9 million.

Mr ROBERTSON: I think it probably reflects the actual expenditure there. I am waiting for feedback following our community cabinet up there a month or so ago. That gave me the opportunity to see what was going on up there and obviously talk to some local folk about what other infrastructure needs were up there. I have asked a range of questions. There is some suggestion up there that additional accommodation may be necessary, so that work is underway but not completed. I will hold good to my commitment which is based on advice that I received that by saving that \$8 million we might be able to use that money in that area to fund other things. We are just doing that work as to where that money would best be spent.

Mr LANGBROEK: Thank you. Would it be possible to have provided on notice the details of the other projects that have come in under budget in terms of the tender process that Mr Carpenter referred to?

Mr ROBERTSON: It should not take too long.

Mr LANGBROEK: Yes, that is right. That is why it stood out, Minister, to be honest, because it was a sizeable reduction.

Mr ROBERTSON: I did high fives when I found out and all.

Mr LANGBROEK: Yes, exactly. I refer to the SDS at page 2-116 five lines from the bottom of the page where it refers to managing climate change. With reference to the whole-of-government program ClimateSmart 2050, would the minister advise the committee of his department's greenhouse gas emissions for 2007-08, its estimate for 2008-09 and the plan in the budget for offsetting these emissions in the future?

Mr ROBERTSON: This is something we actually have reported in previous quarterly health performance reports—that is, the measures that we are putting in place to reduce our usage of both electricity and water. In the case of electricity, obviously we are trying to minimise our carbon footprint. I think it is also important to state that, in terms of the design principles that will underpin particularly the three new tertiary hospitals, they will be designed according to five-star environmental ratings to ensure that we employ the best efficiency measures in those new hospitals. In terms of targets that have been set or may have been set, I am not aware what those targets are except to say that the program that I have reported on previously about how we have gone about reducing our power and electricity usage is continuing. The benefit of that program is that the savings that have accrued are captured by the individual facilities, so they actually get the benefit of reducing their energy usage. As a result, that has been a very popular program across the agency and something we will continue to improve upon.

Mr LANGBROEK: Thank you.

CHAIR: Member for Surfers Paradise, there is one minute left for non-government questions. Would you like to proceed?

Mr LANGBROEK: I just wanted to clarify: as opposed to energy-saving initiatives, I was actually asking about greenhouse gas emissions for the year just gone and the year ahead and the plan in the budget to offset them in the years to come as per the emission trading scheme as planned by the federal government.

Mr ROBERTSON: I have not quite caught the news as to what the details of the new emissions trading scheme will be.

Mr LANGBROEK: But you are looking over the horizon, Minister.

Mr ROBERTSON: Indeed, and that is why we are already investing in reducing energy usage in the first place. I would think that in terms of any commitment to greenhouse gas emission reduction you do not immediately leap to an emission trading regime where you continue to in fact emit carbon and then trade it off. I would have thought that the first principle would be to reduce it in the first place, and that is what we are actually committed to.

Mr LANGBROEK: Thank you.

CHAIR: The time allocated for non-government questions has expired.

Mrs SMITH: Minister, statistics show our hospital emergency departments are busier and treating more patients than ever before. What factors are influencing this growth and what is the government doing to build extra emergency department capacity throughout the state?

Mr ROBERTSON: Thank you, Mrs Smith. What we are seeing throughout the country, especially in Queensland, is record demand for public hospital treatment across-the-board. Emergency departments bring this demand into sharp focus. In Queensland alone the number of patients presenting to public hospital emergency departments has been skyrocketing over the last couple of years. A total of 929,093 people were treated in our major EDs in 2007, an increase of 8.7 per cent on 2006, a 13.5 per cent increase on 2004 and a massive 35.4 per cent increase on 2000—only seven years ago.

There are a range of factors behind this phenomena. Last year a collaboration of state health departments—New South Wales, South Australia, WA, Victoria and Queensland—commissioned a report into emergency department demand. The report showed that an increasing proportion of the population are attending emergency departments instead of their general practitioner. It found that one of the major drivers of increased emergency department demand is reduced GP accessibility. Growth in the number of primary care type patients—those who were triaged category 4 or 5—presenting to EDs has been increasing by some six per cent annually. People who really belong in primary care are accounting for approximately 40 per cent of all attendances.

According to the report, 75 per cent of patients surveyed cited a GP accessibility problem as the reason for attending an emergency department and only 34 per cent really believed that they needed hospital or emergency treatment. The report also shows that, whilst emergency department attendances have been increasing significantly faster in metropolitan areas, rural areas have a significantly higher level of presentation of primary care patients to the EDs than metropolitan areas, up to 23 per cent higher in some areas. That is not surprising when you consider rural areas also have a significantly worse GP to population ratio than metropolitan areas.

Other factors identified in the report include changing patient demographics, including a growing and ageing population; more chronic illness in the community; changing patient expectations in that the community is generally better informed and more discerning on sourcing health care and has a greater

preference for a one-stop shop; changing primary care practices, including reduced after-hours services and reduced primary care management of complex patients; and the fact that the private hospital sector has reduced the level of emergency department services available whilst publicly funded emergency department capacity is increasing. The findings are consistent with many issues that have been anecdotally reported to me in my time as health minister.

So what is the state government doing? Firstly, two additional emergency departments have been built. Last year we opened a new ED at the Prince Charles to focus on the treatment of acute cardiac and respiratory emergencies. For the very first time the Gold Coast has two public hospital EDs—the \$40 million Robina ED which is expected to treat more than 30,000 patients a year, taking pressure off Southport. We are also finishing upgrades to emergency EDs at Dalby, Southport, Gympie, Logan and Redlands hospitals. Other upgrades on the books include PA, Cairns, Rockhampton and Bundaberg. In addition, this year's budget includes funds for a \$10 million expansion of Townsville to boost current capacity in north Queensland.

Mr WENDT: Minister, the performance statement on page 2-119 of the Service Delivery Statements discusses the health of Indigenous Queenslanders. Will you outline action by the Queensland government to improve the health of Aboriginal and Torres Strait Islander people in Queensland?

Mr ROBERTSON: Our government has consistently demonstrated a strong commitment to improve the health of Indigenous Queenslanders. As you may recall, in April this year the government signed a special Indigenous Health Equality Statement of Intent at a Close the Gap Forum. Of course prior to that, Queensland Health had already been making progress in closing the gap. As early as the 2005-06 budget we saw a significant investment of \$89 million over four years to support the first Queensland government implementation plan for the national Indigenous framework. Many excellent initiatives have since been rolled out under the plan such as increasing access for Aboriginal and Torres Strait Islander families and their children to fundamental services and programs which promote maternal, children and young people's health and safety.

We are creating more than 250 vital service delivery positions such as Indigenous child health workers, young parents support workers, early intervention specialists, psychologists, social workers, maternal and child health educators, sexual health workers, rheumatic heart disease coordinators and diabetes educators across government and non-government sectors, many of which are filled by Indigenous staff. In November 2007 Queensland Health launched the new Aboriginal and Torres Strait Islander health worker career structure which is designed to improve attraction and retention rates for Indigenous health workers across the state. I have also recently launched the Queensland Health Aboriginal and Torres Strait Islander Environmental Health Plan 2008 to 2013, building on the gains of the previous strategy and providing the foundation to empower Indigenous communities to respond to their health needs.

I also wish to highlight this year's \$4.4 million budget initiative. This funding over three years will double the number of Indigenous children screened for chronic otitis media, or glue ear disease. We are intervening early to tackle the disease, which is highly prevalent in the Indigenous population across Queensland. We currently screen around about 2,000 Indigenous children a year aged up to 18 and will double that to around 4,000 children. This funding will support increased screening and surveillance across Indigenous communities and ensure that planned interventions, including speech pathology, audiology, health promotion and ear, nose and throat services, are provided to rural and remote communities.

I have to say that when I first found out about this program, which is called the Deadly Ears Program, where specialists, nurses and allied health professionals had banded together to go up into the cape to treat Indigenous kids for glue ear, I did not appreciate the importance of that. But when you consider that a child who goes through those particularly important formative years such as school, if they in fact attend school, is not able to hear what is being taught to them and the impact that that has not just in terms of their education but also in terms of their behaviour, then this is a fantastic investment of money because it really does give those Indigenous kids who live in those difficult environments where the environment is such that it does promote that glue ear a real chance to break out of some of those moulds that they are trapped into as a result of what is in fact a very simple procedure. I say strength to the arm to those who I know now pretty well who have been involved in putting the Deadly Ears Program together.

Mr WENDT: Thank you.

CHAIR: Minister, would you please describe the impact of Queensland Health's breast cancer screening awareness campaign and provide an update on the rollout of digital breast screening, outlining the benefits of the initiative particularly for women living in the bush?

Mr ROBERTSON: Early results of the state government's BreastScreen Queensland social marketing campaign are very encouraging. Following the campaign advertising last October and November in regional areas, an overwhelming 26.9 per cent increase or 916 new women from regional and remote Queensland have either made a booking or have undergone a mammogram. The second

round in April and May this year has resulted in an increase of 11.9 per cent or 327 new women from the greater Brisbane and Gold Coast areas and a further 18.6 per cent or 421 new women from the remaining areas of Queensland making the call.

Feedback received from general practitioners and women around the state about the campaign has been overwhelmingly positive. At the same time we are improving BreastScreen Queensland's services. We are currently transitioning 50 analogue mammography units used across the 11 screen assessment services to digital imaging technology. The first stage of this technology has been successfully implemented in Ipswich and is providing immediate benefits for women. Because the images can be checked immediately, there is no need to wait for a radiographer to process and check the quality of the images. Women can leave as soon as the examination is completed—a real time saver for busy women. Planning has commenced for the next three sites: Townsville in August, Bundaberg in September, and Brisbane south side in November. The other seven services will move to digital imaging on a progressive basis.

Upgrading of the Townsville unit also includes a new mobile service which will have digital technology installed. We will also replace the mobile unit for Rockhampton next year and a new mobile unit to cover population growth areas in the south-east of the state will include digital technology. The introduction of digital mammography will also provide major benefits to Queensland women, particularly women in rural and remote areas. Digital technologies will allow breast images to be processed and checked immediately on the mobile services so women will not need to travel to have their mammography repeated if there was a technical issue in the processing.

In the longer term the use of digital imaging will support new models of care which aim to reduce the need for women to travel significant distances to attend assessment sessions for the review of screen-detected abnormalities. This will have significant benefits for women living in rural and regional Queensland. Digital mammography will also offer major workforce benefits because of the ability to read images from any service location in the state. It will also enhance recruitment for radiographers because of the use of such technically advanced equipment.

Mr JOHNSON: Can I ask the minister: all of those mobile mammography units are going to be digital? They are going to be upgraded to digital?

Mr ROBERTSON: Over time.

Mr JOHNSON: I have to tell you, Minister, it is a fantastic program—absolutely brilliant. Saves many a life, I can tell you.

Mr ROBERTSON: Thank you, member for Gregory. I appreciate where you are coming from in your part of the world.

CHAIR: Can you also provide an update on the implementation of strategies to reduce waiting times for specialist outpatient services in Queensland public hospitals?

Mr ROBERTSON: Thank you. As members would recall, the state government has provided \$20 million in recurrent funding to support a range of reforms arising out of the major review of specialist outpatient services I commissioned in 2006. These reforms are based broadly around increasing the number of outpatient services provided, introducing innovative and complementary models of care, upgrading information systems for improved performance reporting and working with GPs to improve communication with our hospitals.

Nearly \$15 million has been provided to districts to increase the number of appointments offered. Since this funding was provided in January 2008, we have seen increased numbers of people seen by specialists. Throughout January and February 2008, there were an additional 11,398 new outpatient appointments provided compared with the same period last year, which represents a 15 per cent increase over a one-year period. We have invested in introducing complementary models of care in 2007-08. The orthopaedic-physiotherapy screening clinics—a multidisciplinary service—provides a first contact specialist assessment for patients with degenerative joint disease for whom surgery, especially in the short term, is unwarranted. This program, which is now operating in a number of locations around the state, has proved successful in reducing the number of patients awaiting an orthopaedic review and in providing quicker alternative treatment to those appropriately referred to a physiotherapist.

We are also working to improve the quality and timeliness of data. The review recommended a new outpatient department information system. Queensland Health is currently finalising a body of work that will assist in creating a future vision for outpatient information systems and will provide a solid platform upon which future investment decisions can be based. Of course, Queensland Health has a broader information systems agenda in its eHealth Strategy and I am keen to ensure that this work is aligned with the objectives of the overall strategy.

In relation to improving communication between primary care in our hospitals, Queensland Health has recently signed a contract to purchase a piece of software to assist GPs. The Map of Medicine is a referrals pathway package which shows a broad range of clinical pathways and referral guidelines that can be used by GPs when assessing and subsequently referring their patients to Queensland public

hospitals. There will be major benefits out of this. I said at the time when we tackled that outpatient so-called secret waiting list that it was a brave thing to do. No-one had wanted to touch it before. We acknowledged at the time that it would result in a significant increase in demand for outpatient services. It has and we have responded to it.

It also has resulted in increase demand for elective surgery. Whilst there is a lot of commentary about that, I do not resile from the pathway that we went down to have a much more open and transparent service that assures that everyone knows where they are and can make appropriate choices in terms of their access to outpatient and elective surgery services as a result. This will only continue to improve as that \$20 million recurrent funding continues to chip into that backlog of outpatient waits.

Mr WELLS: What initiatives has the government taken to improve the elective surgery performance in our public hospitals?

Mr ROBERTSON: Thank you. Every health system in Australia is facing massive challenges regarding their elective surgery list. In Queensland Health's case, emergency surgery is significantly hindering its ability to take on more elective cases. However, timely access to elective surgery for public patients remains a priority for this government.

Throughout the last financial year we progressed a number of strategies, especially focusing on those who have waited longer than recommended for their surgery. Most importantly, we have provided additional funds to allow more work to be done in our public hospitals. A key strategy recently has been Surgery Connect—a \$10.6 million program that has been utilised in the private sector in areas where Queensland Health's capacity is not sufficient to meet the demands for elective surgery. As of 1 April 2008, 2,458 patients have been referred to surgery in the private sector through the program.

But it is not just about finding spare capacity in the private sector; we have also opened dedicated elective surgery centres at Redcliffe and Caboolture and recurrent funding of \$13.4 million has been provided to support additional operating theatre sessions and associated increases in surgical activities at these hospitals. Another one is on the way soon: an additional 30 dedicated elective surgery beds at QEII Hospital will come online early next year. Recurrent funding, starting at \$14.5 million in 2008-09, has been provided to support an additional five operating theatres per week.

Today, I also announce that the Royal Brisbane and Women's Hospital will soon use new cutting-edge surgical technology for elective surgery and urology. The \$3.5 million da Vinci surgical robot will specialise in urology cases, particularly serious prostate cancers, and should be in operation in early 2009. It will see the Royal Brisbane and Women's Hospital treating urology patients quicker and with shorter stays in hospital. We currently perform around 250 prostatectomies across the state every year. With our urologists receiving this advanced robotic assistance, we hope to achieve that many out of the Royal Brisbane and Women's Hospital alone and subsequently reduce urology waiting lists. The increased workload at RBWH will free up surgical capacity in other hospitals.

Our preliminary statistics show that in the June 2008 quarter we achieved record throughput of elective surgery procedures. For the last three months, we saw over 32,400 Queenslanders for their elective surgery. That is 3,100 more than the previous record that was achieved back in September 2003 and nearly 7,800 more procedures than the same quarter 10 years ago. I would like to think that those figures will have a positive impact on elective surgery waiting lists, but I think it also goes to show that the investment of additional money into elective surgery is starting to see a significant increase in throughput through a combination of our public health system and innovative solutions such as our Surgery Connect.

Mr WELLS: While still on elective surgery, I note that the Commonwealth government has also made it a priority. Are you achieving any synergies there? How is Queensland partnering with the Commonwealth in terms of producing elective surgery outcomes?

Mr ROBERTSON: Earlier I spoke of Queensland's share of the Commonwealth's stage 1 elective surgery funding, which we received last year. Queensland Health is now close to finalising its plan for the \$29.4 million in stage 2 funding that it recently received. The first part has already been in the public domain and involves a five-year lease of a dedicated day surgery facility across the road from Southport Hospital. The Allamanda day surgery centre is a stand-alone facility that is adjacent to Southport Hospital. It comprises three operating theatres with separate recovery and sufficient space to accommodate up to 10 beds. The cost of the lease will be \$2.2 million per annum over five years, with a total cost of some \$11 million. We should be able to start using that facility in September this year.

Today I announce the second part of Queensland's stage 2 plan, which involves commissioning yet another four dedicated elective surgery theatres at the Royal Brisbane and Women's Hospital, Nambour Hospital and Ipswich Hospital. These theatres will provide additional capacity to treat elective surgery patients in a range of specialities in districts experiencing significantly increasing demand. The capital costs of commissioning these theatres is \$7.4 million and will be sourced from the Commonwealth funding. All four new theatres will be in operation in the 2008-09 financial year.

The RBWH elective surgery centre will consist of two additional theatres performing 700 extra surgical operations a year. Once commissioned, an additional \$6 million in ongoing funding from the state government will be provided from 2008-09 to run the new theatres. At Nambour, \$2.8 million in ongoing funding from the state is being provided for the hospital's sixth operating theatre, allowing an additional 600 cases a year. The extra workload will be mainly short-stay patients who will be accommodated in the new day unit that is due to open later this month. Similarly, at Ipswich Hospital, \$4.2 million in state recurrent funding will be provided for a sixth operating theatre. The extra elective surgery lists there will result in an additional 500 procedures per year.

These latest projects will further boost surgical capacity in the public system and will complement other measures, such as the \$10.6 million Surgery Connect program. An amount of \$300 million nationally in stage 3 funding will be made available in the next couple of years. We need to ensure that we have the infrastructure that allows that money to be spent in further increasing our throughput of elective surgery patients.

CHAIR: The time allocated for government members has expired. We will now break for lunch. The committee will resume examination of the Health portfolio at precisely 2.15 pm.

Sitting suspended from 1.26 pm to 2.15 pm

CHAIR: The committee will now continue its examination of the portfolio of the Minister for Health. I call the member for Surfers Paradise.

Mr LANGBROEK: For my next question I refer to SDS 2-116, strengthening Indigenous communities, and SDS 2-118, new notifications of HIV infections. I note that the rate of sexually transmitted diseases is far higher for Indigenous communities and ask: what is the minister doing to protect the island communities and the rest of the community from the increased risk of HIV, especially from Papua New Guinea, given that new HIV cases in Queensland keep increasing more than his department is planning for? I note that in 2006-07 the target was 130 and the estimated actual was 145; in 2007-08 the target was less than 150 and the estimated actual was 160.

Mr ROBERTSON: You have quite rightly pointed out a very serious issue, particularly in the Torres Strait. It has been an issue that I have been concerned about for some time. In effect, and without wanting to deny responsibility, a lot of this problem is actually the responsibility of the Commonwealth government. What we are dealing with is a cross-border issue between the border of Australia and the border of Papua New Guinea. I am sure you have been up there and know how close a couple of those islands of the Torres Strait are to the Papua New Guinean mainland. The movement across that very small body of water results in some particular challenges.

I have written to both the previous government and the current government about this issue. My view has been that, as well as increased funding for services in the Torres Strait, we need to face up to the dearth of services in Papua New Guinea. I think the Commonwealth has already responded in part to that. I might get my director-general, Mick Reid, who has some direct experience in this area, to talk about what the new government has done recently.

Mr Reid: In the past two months a delegation has gone to New Guinea at the behest of the Prime Minister and members of both parties to review sexually transmitted diseases and specifically HIV in New Guinea and to assess whether there are mechanisms whereby AusAID could have a role in New Guinea more broadly around some of the HIV issues, or more specifically whether there could be some border issues that can be dealt with in an improved way, particularly between Queensland Health and the district in New Guinea. As I say, that review process only took place about two to three months ago. We should have a better outcome of it then. The area CEO for the northern area might wish to add to that.

Ms Ramsay: Roxanne Ramsay, General Manager, Northern Area Health Service. The cross-border issue for the Torres Strait is a significant issue and one that certainly for the Torres district requires strong connections with the federal government officers who are managing this process. As the director-general has referred to, one of my staff has been part of a delegation that has gone into PNG to look at the services and how Queensland Health and federal officers may support the people in Papua New Guinea to actually develop their own services.

CHAIR: Excuse me, Ms Ramsay, are you happy for an extension of time?

Mr LANGBROEK: Yes, just for another minute or so. Thank you.

Ms Ramsey: This year Queensland Health was funded \$3.5 million for the provision of services to PNG nationals. It represents an increase of \$2 million from 1998-99. Having said that, the actual estimate of costs of the services we are providing is currently \$5.5 million, so there is a gap which is being discussed with the federal government. HIV/AIDS is one of the illnesses that we are discussing but, of course, there are other transmittable diseases as well.

Mr LANGBROEK: Thank you. My next question refers to SDS 2-115, workforce and recruitment of nurses. It has to do with the Torres Strait. I ask the minister to advise the committee about his government's policy with regard to the statement of one of his bureaucrats that enhanced cultural awareness training and better applicant screening will prevent a repeat of the issues recently seen in Torres Strait island communities.

Mr ROBERTSON: I can. I am aware of that comment. It is fair to say that that comment was taken out of context. The issue of recruitment of staff to the Torres Strait is a complex one. We are talking about an environment that is quite different from any other part of the state. Not only are they remote, but they are dealing with small, very isolated communities where transport between communities is difficult and sometimes hazardous. Also, the cultures that are apparent through the Torres Strait are quite different and they need to be taken into consideration by everyone who goes to the Torres Strait, just as you would if you went to any other part of the world.

You do not go in to other parts of the world without acknowledging and being respectful of other people's culture. That means that you need to understand that perhaps you do things differently in a way that works with the community rather than challenges the cultural norms of those communities. I think that was probably the point that that particular officer was making and I see absolutely nothing wrong with that view. In fact I would expect, whether in the Torres Strait, Aboriginal communities or in Longreach, when people from Queensland Health go to those communities they understand that it is a different part of the state with different histories and, even in Longreach, different cultures from time to time. As I said, from speaking with that officer, and that officer has clarified that statement publicly, I have no difficulty with what was said.

One of the recurrent things that is talked about in relation to the lessons learnt out of what happened in the Torres Strait was that there is a desire by people in the Torres Strait for levels of self-determination and to take control of how their local communities are run. That has been a model that they have pursued now with government at all levels and across all departments. From time to time that brings up some misunderstandings and some performance issues that need to be worked through between those communities and agencies in how they meet their aspirations. Sometimes things do not go according to plan, nor do they go according to how perhaps you and I would ordinarily expect them to. That is part of the diversity of Queensland.

We need to learn when mistakes are made to improve on it. I do not want to see us throw out our commitment to work with those communities to improve their own levels of training and ability to secure employment and ability to advance through adopting or embracing professions. I think also at the end of the day—and I made this clear with the management up in the Torres Strait—in working with those communities there are some fundamentals that we can never not ensure that we have in place, such as a commitment to the health and safety of our own employees. It is a balancing act and that is what we are committed to ensuring into the future with some of the many lessons learnt from what happened earlier this year.

Mr LANGBROEK: Thank you, Minister. I refer to SDS 2-114, elective surgery. I note from last year's estimates, question on notice answer No. 4 for the prehearing non-government, and I table a copy of that.

I note that Surgery Connect, which you referred to before lunch in answer to a question, was to provide an additional 1,300 operations for \$8.5 million in 2007-08, but referrals were nearly 2,500, as you mentioned before, with a commitment of \$10.655 million in the March 2008 quarterly performance report. What is the Minister's commitment to Surgery Connect for 2008-09 in terms of operations and expenditure, and when can the extra 1,200 referrals expect their surgery?

Mr ROBERTSON: With respect to Surgery Connect, as at the year to date, that is to March 2008, 2,458 patients had been referred to the Surgery Connect program. At March 2008, 590 of them had been treated. You may have seen my press release that went out this morning stating that preliminary figures show that, as I have mentioned before, we have had a record quarter in terms of elective surgery procedures. The thing that has helped us achieving that record for elective surgery procedures over the past three months is the delivery of significant numbers of Surgery Connect patients. Over the last three months we have had 2,800 patients treated under the Surgery Connect program. I think that gives you some indication that the money that has been set aside and put out in effect to tender through Surgery Connect has really delivered a significant increase over the past three months alone in terms of increasing the number of patients receiving elective surgery.

What we will see is that approximately \$4.8 million has been notionally allocated from the waiting list funding to support Surgery Connect through to the end of this 2008 calendar year. In addition to that, we will now be spending the money that we got from the Commonwealth. Most of that money will go into Surgery Connect type arrangements, so what we will see over the course of 2008-09 is a continuation of the Surgery Connect program with a combination of both state and Commonwealth money.

So far I have to say I am pleased with how Surgery Connect has performed now that it is really hitting its straps. It had a slow start, understandably, through having to get contract arrangements in place, and also bringing surgeons on board. They started off with a fairly conservative position, but now we are seeing a lot of surgeons stepping up to the mark and wanting to be a part of the action, which I am really pleased about.

We will continue to tweak it as different issues arise, particularly in the area of ensuring that we do not have an impact on training our registrars, and that may offer up some unique arrangements into the future as well. This is a learning experience. As I said, it is something we will be keeping under review to ensure that we get that mix of issues right. But so far so good.

Mr LANGBROEK: My next question is still on page 2-114 and achievements in elective surgery. Given that Surgery Connect is a strategy for patients to receive their treatment through spare capacity in the private hospital sector, as you have clearly identified, and for those who have been waiting longer than clinically recommended, why is Surgery Connect blamed for increases in the median and 90th percentile waits for category 2 and category 3 patients in the March quarter 2008? I table a page from the March 2008 report. Minister, can you also clarify the following: there were 1,300 operations budgeted for in 2007-08 but there were 2,500 people referred as of March. Is there a greater commitment to more than 1,300 procedures per year going forward?

Mr ROBERTSON: The answer is yes. I actually got the figure wrong. It is not 4.5 million this year; it is actually 8.5 million this year. You need to appreciate—and this was the nature of the discussions that we had with the Commonwealth—how many procedures would in fact be undertaken. It depends on what kind of mixture of procedures will in fact be done through Surgery Connect. So those numbers can bounce around depending on whether you are doing 1,000 hips or 25,000 eyes. You can only make informed assumptions about the kind of mix you want to go out to contract, but what is actually delivered can often change based on that different weighting that goes on. I am not too sure about the first part of your question, though, member for Surfers Paradise. Could you flesh that out a bit for us?

Mr LANGBROEK: In the public hospitals performance report, for the March quarter 2008—and I tabled that reference from that page—it actually says that the blow-out in median and 90th percentile waits for categories 2 and 3 may be due to the Surgery Connect program. To me that seems like it needs explanation because Surgery Connect should not be causing a blow-out if it is using spare capacity in private hospitals.

Mr ROBERTSON: I might get Professor Duckett to provide you with that answer.

Dr Duckett: The median and 90th percentile waits are a measure of all of those people who have elective surgery. By definition, the people who are referred to Surgery Connect are people with very, very long waits. So they skew the statistics further to the long wait end, so the median and the 90th percentile move up. The 90th percentile especially moves up a bit because we are taking very long wait people off the list.

Mr LANGBROEK: Thank you for that clarification. My next question refers to SDS page 2-114, 2007-08 Achievements, and the line relating to improving staff accommodation. How many housing assets are owned by Queensland Health—550 or 386? The Auditor-General's report No. 4 has two different numbers. On page 14, under 'Audit Scope', it says that there were 550 housing assets owned by Queensland Health and on page 16 of the same Auditor-General's report it says that the total employee housing portfolio is 386 for Health. I table copies of those.

Mr ROBERTSON: Can we see them, please?

Mr LANGBROEK: Certainly. How many of them have had the three-yearly condition assessment between 31 March 2008 and 30 June 2008 when only 13 per cent had been assessed in the prior two years and nine months? How many assessments will be carried out in 2008-09 and how much is budgeted for this?

Mr Carpenter: In terms of clarification of the QAO audit, I do not have a copy in front of me but if you look carefully it indicates that those numbers are based on 2006 data, so there has clearly been an adjustment between the accommodation that we currently have and those numbers. We have about 1,239 units of accommodation of which we outsource from the private sector about 202, I believe. So the balance is owned by either ourselves or the Department of Public Works.

Mr LANGBROEK: The second part of the question was about the maintenance checks that are supposed to be done every three years.

Mr Carpenter: As at the end of this financial year, we believe that condition assessments will be 62 per cent complete. So 62 per cent of those houses will have the condition assessments complete.

Mr LANGBROEK: My next question refers to prehearing answer to question on notice No. 1 from the government which states that vaccination coverage rates have not changed substantially over the past few years. What advice has the minister's department given about potential changes to these rates as a result of Rudd government budget changes which remove incentives for vaccination providers—I think the amount is about \$18.50 for doctors? You may remember this was mentioned at the rural

doctors conference. Will he consider restoring these payments to doctors to ensure maintenance of Queensland's high vaccination rates and thus ensure maximum protection for the children of Queensland?

Mr ROBERTSON: I will ask the Acting Chief Health Officer, Dr Selvey, to provide a response.

Dr Selvey: The department has certainly advised the minister that we are concerned that the removal of the General Practice Immunisation Incentive Program may impact on immunisation rates. At this stage we do not know to what extent and whether or not they will actually occur. To that end, we have asked our minister to present a paper to the forthcoming Australian Health Ministers Conference meeting, requesting the development of a national immunisation strategy which we believe is overdue, and in that strategy the GP incentive scheme, as well as the other programs that are in place to maintain and increase childhood vaccination rates, would be addressed.

Mr ROBERTSON: So I am right on to it.

Mr LANGBROEK: Good. It is important, looking over the horizon, Minister—as you like to say that you are doing—if the Rudd government has caused some changes. They were mentioned at the rural doctors conference, so I am sure you are aware of them.

CHAIR: The time allocated for non-government questions has expired.

Mrs SMITH: Minister, can you provide details of progress of the chronic disease strategy?

Mr ROBERTSON: I thank the member for Burleigh. As the committee would be aware, the Queensland Strategy for Chronic Disease 2005-2015 was launched in December 2005 with an initial budget of over \$150 million for the period 2005 to 2009. The strategy is significant in that for the first time in Queensland a coordinated approach to the prevention and management of chronic disease across the health-care continuum was implemented. The number of people with chronic disease is increasing as our population ages. Since 1998 there has been about a 60 per cent increase in obesity in men and 25 per cent in women. Approximately 50 new cases of type 2 diabetes are being diagnosed every day in Queensland. By 2023 it is expected to become the largest cause of disease burden in the population. Chronic renal failure is growing by six per cent annually—again, highlighting the compelling need for urgent action now.

Across Australia, treatment of chronic disease accounted for \$34 billion in health-care expenditure in 2001, equating to over 70 per cent of the total budget. To reduce this impact, the Queensland strategy specifically targets cardiovascular disease, chronic respiratory disease, type 2 diabetes, renal disease and depression. In Queensland around 4,000 premature deaths could be prevented each year by modifying behaviours. So we focused on the underlying risk factors of poor nutrition, physical inactivity, alcohol misuse and tobacco smoking. Significant achievements have been made since 2005.

More than 150 new positions have been created in the prevention and management of chronic disease and to address underlying behavioural risk factors. They include alcohol and drug workers, chronic disease coordinators, nutrition and physical activity workers, cardiac outreach and pulmonary rehabilitation practitioners, and Community Hospital Interface Program nurses.

Approximately 50 alcohol and tobacco positions have been funded, implementing a range of community prevention initiatives with advanced clinical care for patients with alcohol, tobacco and other drug problems. Also, 50 positions have been funded to promote and encourage healthy lifestyles. For example, healthy lifestyle coordinators are delivering group based lifestyle modification programs, such as Lighten Up to a Healthy Lifestyle, that provide participants with valuable knowledge and skills relating to healthy eating, stress management, physical activity and long-term weight management. There are also now 20 Community Hospital Interface Program positions located across the state, helping patients on discharge from emergency departments and hospitals.

A Queensland framework for self-management has also been developed to provide direction to empower and assist individuals to manage and actively participate in their health care, together with health-care providers. The strategy's overarching goals of reducing avoidable admissions, improving the quality of life of those with chronic disease and reducing chronic disease incidence and prevalence continue to be challenging. It is not easy, but we are making progress.

Mr WENDT: Minister, we touched on this area briefly before but I am interested in knowing a little more. What initiatives does the government have to improve access to community services for people with mental illness, their families and carers?

Mr ROBERTSON: In 2007 the Queensland government committed a further \$528.8 million over four years to improve mental health services for Queenslanders as part of an unprecedented injection of state funding. This allocation also includes \$345.8 million to improve and better integrate our community and in-patient mental health services. It is supporting over 400 additional mental health worker positions over a few years to improve community services. This expansion will include the establishment of a broad range of clinical services including mobile intensive treatment teams, adult acute care teams and child and youth mental health services. To date, over 200 new community mental health positions have been established. In 2008-09, 102 additional community mental health positions will be allocated.

It is clear that people with mental health problems require better access to personal support services and accommodation in the community. The 2007-08 budget allocation included \$98 million to increase access to disability support services and accommodation in the community for people with a mental illness. This funding will provide new residential recovery places, additional disability support packages, additional places for crisis and respite services, and support for people transitioning from correctional facilities to accommodation in the community. In 2007-08, 40 places were made available through this funding for the Housing and Support Program, and by June 2008 all 40 places were allocated.

We need to continue to improve the coordination of services across government, non-government organisations and other sectors involved in providing mental health care. In the 2007-08 budget, this government allocated \$4.77 million to strengthen the capacity of services to coordinate care for consumers living in the community. To ensure that our mental health workforce continues to provide high-quality and safe services, nearly \$71 million was provided in the last budget. This investment will support the recruitment and retention of expert mental health clinicians and will improve day-to-day services for consumers, their families and carers. In addition to the 2007-08 funding, \$88.6 million was allocated in the 2008-09 budget, boosting our new investment from \$528.8 million to \$617.4 million.

CHAIR: Thank you, Minister. I refer to page 2-115 of the SDS, which highlights Queensland Health's role in protecting and promoting the good health and wellbeing of Queenslanders. How will Queensland Health work to ensure that public health is protected during the rollout of the government's recycled water initiative in 2008-09 and beyond?

Mr ROBERTSON: The new Water Supply (Safety and Reliability) Act will create a regulatory framework to manage both drinking water and recycled water schemes producing water for a range of purposes including augmentation of drinking water supplies, dual reticulation, irrigation and other community needs. To support Queensland Health's significant role in maintaining water quality, \$1.19 million has been allocated in this year's budget for water related matters distributed between the division of the Chief Health Officer, Queensland Health, Forensic and Scientific Services and the area health services.

Dual reticulation is the simultaneous supply of water from two separate sources requiring two sets of pipes—one to provide drinking water and the other to provide recycled water for non-drinking purposes. The framework will require each recycled water provider to develop a recycled water management plan that clearly indicates how the plant will be managed, how water quality will be monitored and reported, and what action will need to be taken if the plant experiences difficulties, technical or otherwise. Queensland Health has developed stringent water quality criteria for recycled water schemes that deliver water for uses in which there is a high potential of exposure to the public.

In terms of purified recycled water, Queensland Health together with the Department of Natural Resources and Water has developed draft water quality criteria which the operators of the western corridor recycled water project must comply with. The quality of purified recycled water must meet all the requirements of the Australian Drinking Water Guidelines and the Australian Guidelines for Water Recycling. Additionally, Queensland Health in partnership with the Department of Natural Resources and Water has developed stringent requirements for validation of advanced waste water treatment plants and verification of the final water quality prior to introduction of purified recycled water into Wivenhoe Dam. To validate the advanced waste water treatment plants, the operators will need to prove the capability and reliability of each individual component of the treatment plant in removing contaminants. The operators will need to demonstrate the reliability of the treatment system and have built-in safety margins to ensure that the final treated water quality will not be compromised.

The final treated water will be monitored for quality by real-time, online instruments and by comprehensive laboratory analysis. The purified recycled water will not be approved for release to Wivenhoe Dam until the robustness and reliability of the plant can be demonstrated by the delivery of consistently high quality water. Queensland Health is confident that the advanced water treatment plants will remove all micro-organisms. Importantly, after mixing with the existing dam water, the purified recycled water will then undergo conventional drinking-water treatment processes prior to it being supplied as drinking water. Operators of Wivenhoe Dam and the treatment plants will also be required to have an approved Drinking Water Quality Management Plan in place prior to the introduction of purified recycled water into Wivenhoe Dam. All of these safeguards will ensure that public health is fully considered and protected at all times.

CHAIR: Minister, can you explain what the government is doing to provide safe and sustainable maternity services for Queensland mums, including those living in rural and regional communities?

Mr ROBERTSON: Our government has an ongoing commitment to provide safe and sustainable maternity services right across Queensland. Nationally, we are seeing many rural areas suffering from a chronic shortage of maternity professionals, particularly obstetricians and gynaecologists. However, preliminary figures show a record of some 42,300 babies born in public hospitals in 2007-08, significantly more than the 38,490 babies born the previous year.

Despite our numerous challenges in this field, we are delivering about 119 healthy babies each and every day. Through this year's budget, we are investing an additional \$9 million over four years to enhance maternity care in rural regions and improve services to at-risk population groups. Queensland Health continues to progress maternity reform in line with the major review of maternity services commissioned a few years ago. The new state government funded Mater Mothers' Hospital will help the growing maternity needs of Queensland's population. It has 257 beds and cots that can care for more than 10,000 mothers and babies each year in state-of-the-art facilities.

Queensland Health is establishing a \$7 million independent centre for mothers and babies to develop information and resources for mothers and their babies and design and evaluate new models of maternity services. A dedicated maternity unit and a state-wide maternity and neonatal clinical network have been established to coordinate maternity reform across the state. Current sites where new and integrated models of care are operating—such as the Gold Coast and the Royal Brisbane and Women's Hospital birth centres and Mareeba and Goondiwindi—will be evaluated to provide evidence and information for the existence of new models to other sites, firstly, Logan and Ipswich.

The government has provided \$2.2 million to open a birth centre in Townsville later this year. Approximately 140 to 160 babies will be born there in the first 12 months. Women who reside in rural communities will benefit from the expansion of more formalised service network arrangements which bring together midwives, doctors, nurses, anaesthetists, Indigenous health workers, and allied and child health professionals. Such arrangements already exist in areas such as Mareeba and Atherton, Theodore and Biloela, and Miles and Chinchilla.

Postnatal care is also essential and our government has committed \$29 million to establish a new contact service to ensure all mothers of newborns receive follow-up contact from a health professional after they leave hospital. This service will begin this year in several pilot sites before being rolled out across the state by 2012, when Queensland's annual birth rate is expected to exceed 70,000. The pilot sites commencing this month include Cairns, Townsville, the Sunshine Coast, Logan, Toowoomba and the Gold Coast.

Mr WELLS: I refer the minister to the new Queensland Health departmental outputs outlined on pages 2-115 and 2-116 of the SDS, and I refer also to my personal representations on behalf of carers who are themselves in need of surgery. Can the minister outline any initiatives underway to enhance equity and access to high-quality care for Queenslanders—for example, by enabling clinicians to place greater emphasis on social and other factors, such as a person's status as a carer, in categorising patients for elective surgery?

Mr ROBERTSON: I thank the member for Murrumba for his question and acknowledge his personal representations in relation to this particular matter which I thought were particularly important and astute. Queensland follows national categorisation definitions for elective surgery. For example, a definition of a category 2 patient is that admission within 90 days is desirable for a condition causing some pain, dysfunction or disability but which is not likely to deteriorate quickly or become an emergency.

There are a number of problems with these national definitions. Firstly, as the honourable member points out, the definition is entirely related to the condition of the patient. It does not take into account the patient's social context. For example, this clinical categorisation would not take into account whether a person was employed or not employed and their employment might be affected by having the operation or whether the patient is a carer for another person.

As I said, these are national definitions and Queensland Health cannot change them alone. What we can do though is say there is obviously going to be prioritisation within clinical urgency categories. Queensland Health has issued a policy framework for elective surgery services, and in that policy framework it indicates that 'other factors may influence selection of patients and they include the patient's social and community support'. So it is here that social and other factors that the member is referring to can in fact be taken into account. We are reviewing the policy framework at present following the report of the specialist outpatient review which I released last year. I have asked that as part of that review this section be clarified to address the issues that the honourable member has raised.

The second major problem with the definition is that it is very subjective—that is, it is entirely based on an individual clinician's judgment. The Australian Institute of Health and Welfare has recently undertaken a study on elective surgery categorisation and demonstrated that there are very different practices in terms of categorisation between the states, with New South Wales and Victoria exhibiting vastly different proportions of people categorised as category 1 versus category 2. This cannot be an indicator of an underlying difference in illness between the two states. It is for these reasons that there is a move nationally to move away from this crude categorisation to categorisation based on the diagnosis and more flexible approaches to identifying and measuring elective surgery performance. Queensland has made the first moves in this direction in terms of reporting in this year's SDS.

Mr WELLS: Thank you very much for taking that on board, Stephen. My next question is in relation to oral health, which is mentioned on page 2-113. Can the minister outline what the government is doing to improve public dental services for eligible Queenslanders, including school-aged children and people living in the bush?

Mr ROBERTSON: Firstly, Queensland Health is undertaking a number of major capital work projects to improve public oral health services for eligible Queenslanders. They include: the newly opened Rockhampton community dental clinical with state-of-the-art technical equipment; a clinic in Yeppoon with expanded facilities to open next year; a clinic located at Gladstone Hospital, also with expanded facilities; and a refurbished clinic at Mount Morgan which is due for completion soon.

We are building on these projects underway through a number of initiatives. For instance, \$17.5 million has been allocated over three years to build a new community dental clinic in Bundaberg and expand the Hervey Bay Dental Clinic. In addition, \$14.2 million will be spent over three years on new and replacement mobile dental clinics, including the new, fully self-contained, double-surgery mobile dental clinics for rural and remote communities.

We are also boosting the public oral health workforce by funding students' degrees in exchange for service in areas of need. An additional investment in the Queensland Health Rural Scholarship Scheme within the discipline of dentistry for 2008 and 2009 will see eight two-year scholarship places totalling \$336,000. As well as the eight dentistry scholarships, we have allocated funds to support three oral health therapist scholarship places, totalling \$73,000 in 2008 and 2009. For each scholarship place funded by Queensland Health, the return of service is equal to the length of the scholarship.

Queensland Health is also moving towards an electronic oral health record to get underway in a couple of years. This will have a number of benefits, such as reducing the volume of paper, allowing immediate retrieval of electronic patient records which will reduce administration time and storage requirements associated with organising patient records, and allowing our services to access more complete and accurate patient information. In addition, it will provide direct access to digital imaging, better allow for the sharing of records for collaborative diagnosis, minimise the number of appointments and streamline treatment plans in complex clinical cases.

On a national level, Queensland is also collaborating with the Commonwealth and other states on the recently announced Commonwealth Dental Health Program. Queensland Health is expected to receive in the vicinity of \$54 million over the next three years from the Commonwealth for this program. Key target groups under the Commonwealth Dental Health Program include our Indigenous clients and those suffering chronic ill health. Rural and remote communities will benefit through the increase in the number of oral health travelling teams to hard to recruit to areas.

CHAIR: In the short time remaining, would the minister be able to update the committee on progress of the development of the new Queensland Children's Hospital?

Mr ROBERTSON: The Queensland Children's Hospital is progressing quite well. Key milestones include the completion of the master plan and the start of the schematic design phase. It is an exciting project which brings together the tertiary paediatric services in Brisbane to meet the growing demand for health services for children, young people and their families. Since August 2007, the planning and design consultants have worked with the project team, clinicians and other stakeholders to develop the health services plan and master plan, and we heard the health services plan referred to earlier today.

The master plan is being shared with the public using a variety of tools, including forums and displays. Of particular interest to the committee is that provision for future expansion has been made. This building will be capable of vertical expansion by one level when the need arises. Horizontal expansion will also be allowed for on four levels of the main building. This provides for future expansion of the operating theatre floor. Floor layouts will also permit the future expansion of the emergency department plus ambulatory and allied health areas. An assessment of the paediatric network capacity in south-east Queensland is also being undertaken by the department, and a memorandum of understanding regarding the operation of the hospital between Mater Health Services and Queensland Health is currently being negotiated and should be finalised this year.

I thought I might take the opportunity in the time that is available to me to clarify an issue that was brought up by the member for Surfers Paradise earlier today regarding genetic services and IVF services to be provided by the Queensland Children's Hospital. I am advised that the QCH will provide a full range of genetic services. These services are currently provided from the Royal Children's Hospital and will become part of the QCH upon its commencement. In relation to IVF services, it needs to be recognised that these services are predominantly provided within a women's hospital setting, so IVF services will continue to be provided from the Royal Brisbane and Women's Hospital.

CHAIR: Thank you, Minister. The time allocated for government questions has expired. I call the member for Surfers Paradise.

Mr LANGBROEK: Minister, I want to go back to an answer you just gave about the Commonwealth dental health scheme. My question goes to the heart of the scheme and relates to 2-118 and 2-119, Primary Health Care, which has got six measures, and to my mind the bulk of the measures

would be the oral health occasions of service and the cost of those. Could you advise the committee whether the \$54 million you are expecting to get from the Commonwealth government will lead to a diminution in what you currently contribute to oral health for children and adults? Would you be prepared to provide a breakdown of the \$367 million over those six measures for 2007-08 and 2008-09?

Mr ROBERTSON: I will get the relevant officer to come to the table and explain. It is the chief dental officer.

Mr LANGBROEK: Welcome, comrade—dental comrade.

Mr ROBERTSON: We are not going to see some silly handshake later, are we?

Dr Thomas: In answer to the question regarding maintenance of effort of Commonwealth funds in Queensland Health, the Commonwealth has been insistent—and Queensland Health has very much agreed—that there will be no diminution of effort in the provision of state oral health funding during the life of the Commonwealth Dental Health Program. There will be requirements for Queensland to maintain its own effort, and that is being written into the implementation plan, and there will be no reductions in the services provided at the state level.

The targets that you are referring to in the performance indicators in the Service Delivery Statements are not broken down at this stage into what the CDHP will be doing. There will be an expectation that the CDHP will be used for increasing the number of attendances. We have changed our performance indicator now from occasions of service to weighted occasions of service to better reflect the work that is being done. The Commonwealth Dental Health Program will be phased in over a period of three years. We will be expecting that within the first year we will be using the funding to build capacity, to build infrastructure. Then there will be more work done in years 2 and 3 of the program.

Mr LANGBROEK: Minister, I wonder if on notice I could have the budgetary breakdown of those six primary healthcare measures, please.

Mr ROBERTSON: That should not be a problem.

Mr LANGBROEK: Thank you. I now refer to SDS 2-112 and the reference 'We will work with ... the Australian government ...' I want to speak about something that I know the minister has in the last couple of days, and that is the Medicare levy surcharge threshold. I note that the Tasmanian health minister has predicted a growth in her public hospital surgery waiting lists as a consequence of the changes and has allowed for that in her state's budget. I note that yesterday I think you were in an interview with Alexander Kirk on *AM*. I just want to refer to your statement there: 'We would look at some sort of savings clause that would allow for a reconsideration of agreed funding models should we see an increase in demand beyond what is currently anticipated.' I wonder if you could tell the committee about what advice you have been given as to what is currently anticipated. I know that before you have said that you would wait and see.

Mr ROBERTSON: In that same interview I made it pretty clear that it is very difficult—and the Commonwealth says this as well—to do modelling at this point in time. I have been somewhat quietly amused by this whole debate from a number of perspectives, because it seems to me that there are a lot of commentators who want to describe our public health service in this country as somehow Third World. Yet, as soon as there is a suggestion about removing the Medicare levy threshold, it is asserted that suddenly there will be a flood of Australians, and indeed Queenslanders, who will suddenly give up their private health insurance and access to the private health system and flood back to this Third World health system that we are running.

It seems to me that, if that does occur, there are two things that come out of that. One is a very public endorsement of the way we run public health in this country and in this state and the second is a bit of a crisis of confidence in how private health is provided. If that is what the commentators are saying, I think, particularly when it comes to the private health insurance industry, they really need to look at the confidence level in their own product because I do not think they are exhibiting it all that well at this point in time.

There is a second thing that I would say in relation to this matter. I was reflecting on one of your press releases, Mr Langbroek, on 28 May in which you said you were concerned that federal Labor's changes to the Medicare levy would mean cancer patients, once treated through the private health system, would now join the long queue for publicly funded treatment. I do not know if I am the only person here who thinks that that is kind of a ridiculous statement, but what you are saying is that a person who currently has cancer and currently has private health insurance will, as a result of the lifting of the threshold—and the only benefit that they get from that is not to be penalised by moving from the private to the public health system—cancel their existing private health insurance and join the public health queue for cancer services. That, frankly, is ridiculous. I do not know if I am the only one who thinks that is a ridiculous proposition, but if you are currently paying for private health insurance and you are currently being treated for cancer, and if the state of our cancer services in public hospitals is so bad and our waiting lists are as terrible as people suggest, that does not seem to me to be a rational thing to do, particularly since you will not get one extra dollar out of it. All you will avoid is being penalised by one per cent on your tax for cancelling your private health insurance to go back into the public system. That does not make sense.

I think in the current debate there are a lot of things that do not make sense. That is why I have said, 'Let's wait and see. Let's have a mature, informed debate about what the potential impact of this move may be.' I think there is a lot of scaremongering going on at this point in time without the facts to support them. And, John-Paul, that was particularly unhelpful.

Mr LANGBROEK: Can I just say quickly that my observation is that private cancer services are having a far bigger increase in the number of people using them than are public cancer services. The bottom line is that people may drop their private health insurance if they are trying to save maybe 100 bucks a month. I know that you may not be able to grasp that concept, but there are lots of people out there who cannot put petrol in their car—

CHAIR: Member for Surfers Paradise, can you put that into a question, please?

Mr LANGBROEK: That might be one reason, Madam Chair, why people are dropping their private health insurance.

Mr ROBERTSON: The problem is that most cancer services are outpatient services. Can I alert you to this study that was done back in 2003 by the South Australian Centre for Economic Studies which showed that when the threshold was brought in, back in 1997, there was actually no increase in the number of patients taking out private health insurance. The big increase came in September 2000, or the lead-up to September 2000, which was when the lifetime cover was brought in. That has not been touched by the Commonwealth. The thing that is being touched is that which had no impact when it was introduced back in 1997 in terms of encouraging people to take out private health insurance. That is why I say that the jury is still out. There needs to be a lot more work done on this issue before people can confidently say what the impact of the Commonwealth's move may be. I am no apologist for the Commonwealth, but I do like to see good evidence before making important decisions about whether, in our case, Queensland will be worse off from this move. There are a lot of stats around and a lot of arguments to be had, but the jury is still out.

Mr LANGBROEK: For my next question I want to refer to the answer to prehearing non-government question on notice No. 8, which referred to SDS 2-120, which was about the number of days waited at the 90th percentile for elective surgery. I note that the minister provided details of category 3 elective surgery maximum waits only. Will the minister provide percentages for elective surgery categories 1 and 2? I also ask him to expand on the statement in the answer that it also creates a risk of identifying an individual patient, as he said in that answer.

Mr ROBERTSON: It is not just category 3; it is all categories.

Mr LANGBROEK: When I asked the question, which was, 'Will he provide details on the number of days waited at the 100th percentile?' at SDS 2-120 there are three categories of elective surgery. So I presume it is just an oversight because I would like it for the three categories.

Mr ROBERTSON: I am sure we can provide that. That is not an issue at all, John-Paul.

Mr LANGBROEK: Thank you. Can you also expand on that statement? The answer was, 'It also creates a risk of identifying the individual patient.' In other words, I asked the number of days waited at the 100th percentile and about the last patient who might have waited beyond 30 days, 90 days and 365 days, and the answer was, 'It creates a risk of identifying the individual patient, 'and the answer then came back in percentage form. I just wonder why it would create a risk. Would the patient be aware that they are in category 1, 2 or 3 and therefore know that, if they waited 45 days, they have waited 15 days longer? I am just interested in that.

Mr ROBERTSON: I will get Dr Duckett to provide you with that information.

Dr Duckett: By definition, the 100th percentile, as you point out, is an individual patient. That means, by definition, if you go to a smaller hospital there will be one patient who will be possibly known in that community. The national standard for reporting the very long waits is the percentage waited more than 365 days. It is obviously very easy to convert that to a number of individuals who waited more than 365 days.

Mr LANGBROEK: Thank you. Minister, I think you have said that you will give us the information for elective surgery grades 1 and 2. For my next question, I refer to SDS 2-114, line 5 and the statement that the Department of Corrective Services is transferring health services to Queensland Health to improve the coordination of health services. Can the minister confirm that conditions for transferring nurses are less than those enjoyed by other Queensland Health nurses? For example, I understand that the ones who are transferring are not entitled to salary sacrifice packages.

Mr ROBERTSON: I have just written back to the Queensland Nurses Union on this point I think two days ago. If I recall correctly, the issue is that those nurses currently do not have those arrangements because the requirement of the Commonwealth to allow them to access those provisions is that they have to be attached to a hospital. Because they are located in a correctional facility, they do not come within that definition. My view is that that is an anomaly, quite frankly, and something that I think might be worthwhile writing to the Commonwealth about. I think there have been previous attempts, mind you. However, that is simply the reason, as I understand it, as to why they cannot access those benefits. I might get Michael Kalimnios to provide further information.

Mr Kalimnios: The nurses transferring from Corrective Services will have exactly the same terms and conditions as nurses in Queensland Health. The issue is around the so-called PBI concession or the fringe benefits tax concession. That is an interpretation that is applied by the Australian tax office. It is nothing to do with Queensland Health. It is not a term or condition of employment. It is related very clearly to whether you work for a hospital or not. The nurses coming across from Corrective Services are not employed within the hospital fabric. As a result, they do not qualify for the PBI concession. The only way that would ever be changed is if the Commonwealth in fact altered tax legislation, and obviously that is something very difficult for Queensland Health to influence.

Mr ROBERTSON: Go figure!

Mr LANGBROEK: Thank you very much. I refer to SDS 2-115 and ambulatory care. Why can't eye health care in Queensland be streamlined with provision for a secure access, single online waiting list that all ophthalmologists can access to place patients on so that they do not get shunted on various waiting lists? Why can't resources be allocated so patients can be treated locally?

Dr Duckett: Obviously the development of a single statewide waiting list not only for ophthalmology but also for all elective surgery would have a number of benefits including being able to ascertain whether people were on more than one waiting list or not and so on. I would say with respect to that that the single most important thing we are doing is through Surgery Connect, where we have taken a very large number—and I do not have the number in front of me, but in the March quarterly performance statement we said how many—of ophthalmology ones off the waiting list. I think it is the largest single specialty in Surgery Connect.

Through Surgery Connect we are making more cataract operations available right throughout the state rather than being concentrated in the south-east corner. We are also looking at having a more streamlined approach to cataracts on a regular basis rather than having to wait for people to click over into the very long waits, which is what Surgery Connect is targeted at.

Mr ROBERTSON: It is fair to say, is it not, Stephen, that one of the issues we face is that, when you get booked for elective surgery, you get attached to a particular facility. One of the things that we are trying to overcome is to break down those barriers so you get your surgery quicker by being freed up from that particular facility.

Dr Duckett: Not only do you get attached to an individual facility; you also get attached to an individual surgeon, and sometimes they are not as willing to release the patients into Surgery Connect as one might hope.

Mr ROBERTSON: May I be cheeky enough to suggest that if you go down the path of hospital boards that probably militates against breaking down those barriers.

Mr LANGBROEK: Thank you!

Mr ROBERTSON: Sorry, I could not help myself.

Mr LANGBROEK: My final question for the moment relates to the SDS at page 2-126, employee expenses. Why does the minister have 69 media and public relations officers in his department? Why the increase from 32 in 2001-02 to 69 today? I only have a part-time uni student, Minister.

Mr ROBERTSON: It is the quality of the questions asked, John-Paul. We are talking about a department of 65,000 people. We conduct our business in multiple locations. We have around 2,350-odd sites throughout this state where we conduct our business. The department actually represents around a quarter of the complete Queensland government. When you are dealing with an area of often very high emotion and very personalised services with an incredibly heightened level of attention by the media, I can assure you those people work very, very hard.

I reject the line that some people have suggested that they are all spin doctors. Most of their time is spent providing factual information to the public, including the media, about particular cases. We also need to appreciate that the 68.6 FTEs include preventative health promotion staff, publication centre staff, sponsorship officers, clinical improvement promotion staff, part-time graphic artists and community engagement and promotion staff. They also include staff responsible for newsletters, internal promotions and communication activities for staff and patients in the department's individual hospitals, health centres and aged-care facilities.

We do not have 68 FTEs all engaged in spinning the government line. They are across a raft of activities. Frankly, as I have come to appreciate, there is not a part of the community that Queensland Health does not have some level of interest in. Take, for example, the case of Mount Isa and the lead testing. Getting the set number of children to come along requires an effort of communications staff to publicise those kinds of programs. That is not about spinning the government line; that is actually about encouraging kids to enrol in a testing regime to their ultimate health benefit. I know it is an easy claim to make that there are 68 spin doctors, but when you actually do look into it in some detail you find a much different story in terms of the breadth of interest that Queensland Health has in looking after the community of Queensland.

CHAIR: The time allocated for non-government questions has expired. I call the member for Burleigh.

Mrs SMITH: Queensland Health plays an important role in reducing the transmission of HIV and hepatitis C through the provision of clean needles to intravenous drug users. Can you provide an update on the current review of the Queensland Needle and Syringe Program?

Mr ROBERTSON: I can. The aim of Queensland Health's Needle and Syringe Program is to reduce the incidence of blood-borne viral infections and injection related injuries and disease among drug users. It is always important to regularly monitor and review such programs for efficiency and effectiveness. Accordingly, Queensland Health commissioned a comprehensive and independent review of the Needle and Syringe Program last year.

The review was completed in May 2008 and I have now received its final report. I am pleased to report that the findings of the review were very positive about the operation and outcomes of the program. It states—

The Program has achieved and maintained community and political support and expanded its reach and penetration through diversification of sites, use of Needle Dispensing Machines and involvement of the pharmacy sector.

It goes on to say—

The current level and coverage of Needle and Syringe Program delivery, the capacity to tailor its services to high risk groups and maintain individual and community support for the program is the result of the efforts and dedication of staff across the statewide network of Needle and Syringe Programs in the government, non-government and private sectors.

The report of the review contains 18 recommendations, all of which are achievable in the short to medium term and able to be implemented within existing resources. The review advocates that we build on the achievements of the program to date and prioritise efforts and resources in a number of areas. In particular, it is recommended that Queensland Health maintain the program's reach and penetration with regard to future population growth.

Enhancing services to young people and Aboriginal and Torres Strait Islander people and people in correctional facilities is also listed, as is improving workforce capacity, training and authorisation processes. Finally, it recommended that Queensland Health also take a more integrated population health approach with stronger local level links to sexual health, alcohol and other drug service systems and complementary health and social services.

The Queensland Needle and Syringe Program has been an enormous public health success story since its inception 20 years ago. Throughout the past two decades the program has grown in strength and capacity to the point where it is now providing nearly six million syringes through a network of 140 sites spread across Queensland. In addition, over 500 Queensland community pharmacies last year provided an additional 1.5 million syringes on a commercial basis. I look forward to the implementation of the review's recommendations so we can further foster safe needle use in Queensland.

Mr WELLS: I refer to the projected new Sunshine Coast Hospital at Kawana. How is it going?

Mr ROBERTSON: It is going well, member for Murrumba; it is going very well. The Sunshine Coast Hospital remains on track to open in 2014 with an additional 450 beds and with future capacity to increase to 650 beds at a later date. It is Queensland Health's first hospital project being investigated as a potential public-private partnership, or PPP, and our project team is on schedule to deliver a business case to government later this year.

The business case being developed in accordance with the government's Value for Money Framework will weigh up a number of factors including the appropriate allocation of risk, improved asset maintenance and utilisation over the life of the asset, and the responsible use of public and private resources in optimising the level of infrastructure expenditure. After government consideration, and if the business case demonstrates a value-for-money outcome from a PPP process, Queensland Health will release an expression of interest to the market by the beginning of 2009.

The budgets for the three new tertiary hospitals at the Sunshine Coast, the Gold Coast and the Queensland Children's have been increased from the commitment originally announced in 2006. An additional \$270 million has been allocated to the Sunshine Coast Hospital in this year's budget, increasing the project budget to \$1.21 billion. The increases have resulted from an escalation in costs, site acquisition costs, external works and associated infrastructure projects.

The project definition plan is underway and builds on the master plan completed in February this year, providing more detail on spacial and facility requirements. Queensland Health continues to work with a range of stakeholders to maximize the opportunities presented by the 20-hectare greenfield site at Kawana.

There are a range of projects proposed to support the hospital at Kawana including the transport corridor, the Caloundra-Maroochydore corridor study and CoastConnect, the Caloundra-Maroochydore quality bus corridor. Departmental officers will continue to work with relevant government agencies, including the Department of Infrastructure and Planning, the Department of Main Roads, Queensland

Rail, TransLink, Energex and the Sunshine Coast Regional Council to provide a whole-of-government approach to Kawana that will see carefully considered planning applied to this very fast growing part of south-east Queensland.

Mrs SMITH: More beds for hospitals was an election commitment. Can you update the committee on progress to deliver more hospital beds for Queenslanders?

Mr ROBERTSON: I can, and hopefully I can clarify some of the points made by the member for Surfers Paradise earlier today. During the last election campaign the government committed to one of the largest hospital bed programs ever undertaken in Australia. An integral part of this commitment was to open an additional 1,046 beds over five years commencing in 2006-07. Some \$1.9 billion in capital and operational funding has been committed up to 2009-10 to achieve this outcome. Queensland Health committed to funding 302 additional beds in 2006-07.

As published under 'Our performance' on the Queensland Health web site, there were 7,806 public acute hospital beds available for the top 28 Queensland hospitals as at June 2007. This represents an increase of 328 from June 2006, when 7,478 beds were available. For the 2007-08 financial year the government had committed to funding an additional 333 beds.

In May 2008 there were 8,193 public acute hospital beds available for the top 28 Queensland hospitals. This was an increase of 387 from June 2007. So over the two years 2006-07 to 2007-08, a total of 635 beds were promised and 715 were delivered.

The government also committed during the last election campaign to open a further 69 beds during the 2008-09 financial year. As the committee would already be aware, the government committed to build three new tertiary hospitals—a 750-bed hospital on the Gold Coast, a hospital on the Sunshine Coast with an initial 450 beds and an overall capacity of 650, and a new 400-bed Queensland Children's Hospital. In addition, we have now allocated \$37.5 million in funding during 2008-09 for the initial stages of redevelopments at Cairns, Mount Isa and Mackay.

Capital planning across a number of hospitals has refined the number of beds, and we now expect to commission 79 beds rather than the promised 69. That does not include the 63 beds, and I mentioned this earlier, at Lifecare, Carrara which will be fully commissioned by October 2008. Therefore, at this point in time we expect to commission a total of 142 extra beds during 2008-09. In addition, the number of beds operated in individual hospitals fluctuates as they are routinely opened and closed according to demand and workforce capacity.

We are meeting the commitments that we made during the election. We have exceeded them in the two years since the election. We will continue to do that this year. We anticipate opening 142 extra beds during 2008-09.

Mr WELLS: Does the 24-hour Health hotline, 13HEALTH, continue to demonstrate its usefulness to the Queensland community?

Mr ROBERTSON: My word. Since 13HEALTH became a statewide service in April 2006 it has provided all Queenslanders with access to health information and triage advice 24 hours a day, seven days a week. Between 1 July 2007 and 31 May 2008 the service received 158,440 calls. That is 486 calls a day. Some 19,373 were general health information inquiries and 139,067 were Queenslanders seeking triage advice and clinical information. On average, callers waited one minute and 28 seconds to speak with a nurse and the average call-handling time was 12 minutes and 23 seconds.

In addition, 13HEALTH provides a single point of community access for information and advice on various public health issues. These have included health concerns associated with lead levels at the child-care centre at Herston, the transfer of patients from Charleville during the floods earlier this year and the recall process of the drug Clexane in late April. 13HEALTH's target is for 80 per cent of calls to be answered within 20 seconds. I am pleased to inform the committee that this has been met and the average level of service for the past year has been 91 per cent of calls answered within 20 seconds. There are various factors that contribute to 13HEALTH achieving its service target, including call volume and staff availability per day.

To further illustrate the usefulness of the service to Queensland, during May the service received over 13,000 calls, with the busiest call period being between 4 pm and 11 pm on both weekdays and weekends. The main health concerns people called seeking triage advice on were abdominal pain, fever, ingestion of toxic substances, vomiting, chest pain and headaches. Of the people who called the service during May, over 30 per cent were advised to see their GP, 13 per cent were provided with self-management advice, 17 per cent were recommended to attend an ED and six per cent needed to be transferred to the Queensland Ambulance Service. Some 12 per cent of callers were seeking general information and 17 per cent did not need triage advice but were seeking clinical information such as pre and postoperative and medication inquiries.

Building on the infrastructure and popularity of 13HEALTH, recently the Premier and I announced the expansion of the service to provide 24/7 support and advice to parents of newborns. The service will provide parents with immediate access to professional nursing advice on a range of child health

concerns including sick children and general parenting advice. As a result we expect 13HEALTH to receive an additional 150,000 calls per year. I am advised the service is appropriately resourced to handle this extra workload.

What that decision by the Premier and me resulted in is us being able to guarantee the continuation of that service. There has been some debate as to whether we should be part of the national call centre network. It is reflected in that answer that the ability of that service to be flexible and provide other information services in addition to core 13HEALTH responsibilities I think makes it a very useful service for Queensland. When you can provide that number to provide flood assistance for rural and regional people, that is a service that I do not think can be adequately met by the national call centre. So by adding on the child and family services, I think we have been able to provide a real future for that service in the years ahead.

Mr WENDT: Minister, could you please advise the committee about the progress and rolling out of the nurse practitioner program? How many nurses have embraced this new career path option and are either training or working as nurse practitioners for Queensland?

Mr ROBERTSON: This initiative is an exciting venture in building the nursing profession in Queensland. A nurse practitioner is a registered nurse educated and authorised to function autonomously and collaboratively in an advanced and expanded clinical role, complementing doctors working around them. The nurse practitioner role includes assessment and management of clients using nursing midwifery knowledge and skills inclusive of direct referral of clients to other healthcare professionals, prescribing medications and ordering diagnostic investigations. The scope of practice of the nurse practitioner is determined by the context in which the nurse practitioner is educated, competent and authorised to practise. As of July 2008, 22 nurse practitioners are employed in positions across the state.

Nurse practitioners are a major initiative of this year's budget. The state government has allocated \$35.8 million over four years to support the progress of additional nurse practitioner positions in identified priority areas including rural and remote, aged care, mental health, chronic disease and emergency care. There will be at least 40 additional nurse practitioner positions over the next four years. These positions will be in addition to those funded by district health services themselves. The role has been associated with health service improvements occurring around the world for over 40 years now but was first implemented in Australia in 1998.

The nurse practitioner model has been extensively researched, including investigations on patient acceptance, satisfaction, safety and cost-effectiveness. In addition to the international body of literature, several Australian national health workforce inquiries have recommended further development of nurse practitioners to support Australian health service improvements—for example, the Productivity Commission report on Australia's health workforce and the report from the Australian Health Workforce Advisory Committee titled *Health workforce planning and models of care in emergency departments 2006*.

To ensure our nurse practitioners meet national competency standards, they must be endorsed by the QNC—the Nursing Council—before practising in this role. To assist experienced Queensland nurses to meet those competency standards, Queensland Health has provided scholarships for nurses to undertake a masters in a nurse practitioner course that leads to endorsement with the QNC. In 2007-08 Queensland Health allocated \$160,000 each year to support nurse practitioner scholarships. The duration of study varies between one and three years, depending if the study is undertaken full-time or part-time.

At the beginning of the 2008 academic year there are 32 scholarship holders currently undertaking a masters level nurse practitioner course at three universities, with an additional 33 scholarship holders already graduated. It is anticipated that a further 20 scholarship holders will graduate by December 2008. Collaboration between the office of the chief nurse and area health services and districts is underway to finalise the allocation of nurse practitioner positions in identified priority areas. Queensland Health is well placed to fill nurse practitioner positions as they are established.

CHAIR: Minister, I refer you to page 2-115 of the Service Delivery Statements and your department's commitment to prevention, promotion and protection programs. Can you please explain to the committee what the government is doing to protect the public from, and prevent the manufacture of, the deadly drug known as ice?

Mr ROBERTSON: Our government is continuing to address the significant harm caused by the use of amphetamine type substances, particularly the deadly drug ice. In November 2006 the Ice-Breaker task force led by Queensland Health was established to lead the fight against amphetamine use. From 2007-08 we have allocated an additional \$4.8 million a year to enhance treatment services for young people affected by substance abuse. This has enabled the establishment of drug and alcohol intervention services on the Gold Coast and Royal Brisbane Hospital emergency departments, as well as an expansion of outreach services at the Mater Hospital with the funding of two additional workers from January 2008.

We are giving our front-line health workforce the resources they need to deal with patients affected by ice. The government has established a training position in the speciality of addiction medicine in the north side health service district and has developed improved protocols to help staff in emergency departments manage patients who are affected by psychostimulants. We are also continuing to roll out a statewide education campaign comprising press, convenience and internet advertising and an innovative interactive electronic kiosk for use in TAFEs and universities. The second phase of this campaign was rolled out across Queensland last November. The government has also introduced legislative amendments to the Tobacco and Other Smoking Products Act 1998 to prohibit the sale and display of ice pipes.

Our government's Ice-Breaker Strategy is also making very important inroads in stamping out the production of ice in Queensland. We are taking the tough action required to prevent illicit drug manufacturers from accessing the ingredients used in the production of ice. A pseudoephedrine enforcement task force has been tracking down any health professionals, particularly pharmacists, who are supplying large quantities of medications for use in illicit drug production. Since the task force began operating in late 2006, seven Queensland pharmacists have been barred from selling medication after the task force investigation revealed that they were supplying unusually large quantities of medications containing pseudoephedrine and could not offer any reasonable explanation. These enforcement actions followed investigations throughout the state, including Brisbane, Rockhampton, Ipswich, Hervey Bay and the Gold Coast.

The task force has worked closely with the Queensland police State Drug Investigation Unit and the Australian Crime Commission throughout its investigations and enforcement. The excellent work of the task force has directly contributed to a 59 per cent reduction in the sale of medications containing pseudoephedrine. The Queensland branch of the Pharmacy Guild of Australia is also a very active partner and its support is greatly appreciated. In 2005 the guild established Project STOP, a voluntary database now used by 90 per cent of pharmacists in Queensland which tracks the sale of medications containing pseudoephedrine. Project STOP has resulted in the arrest of 44 people charged with 286 drug related offences and the seizure of 16 drug labs. I think that that is a great effort from an industry body. It needs to be commended for that initiative.

Mr WELLS: I refer to the \$145 million invested over the next four years, including \$40 million in this year's budget, in clinical education and training. What does this package deliver for doctors?

Mr ROBERTSON: This was a package that came out of the task force that I established to ensure that we have the resources in place in Queensland Health to cope with the significant increase in registrars coming our way in a number of years. That is why \$33 million out of the \$145 million is being provided over four years to improve medical education and training in Queensland. Queensland Health is developing a standardised curriculum for junior doctor training, establishing additional intern and vocational training opportunities, creating additional positions to support medical education and training of junior doctors, improving the coordination of medical education and training resources and infrastructure, and developing innovative educational programs for learners and teachers. We are also piloting an innovative emergency medicine training model at the RBWH, providing junior doctors with quality training grounded in clinical practice. In addition, we have allocated around \$700,000 to provide infrastructure for prevocational medical education and training networks aligned with boundaries of our area health services. Are you happy for me to continue to finish this answer?

CHAIR: For a short time. Our government allocation is up. Can you give me an abridged version, Minister?

Mr ROBERTSON: We have also allocated \$5.9 million for vocational training, including 30 additional registrar posts this year and a further 30 next year, and \$100,000 a year to help Queensland Health facilities roll out a new program to develop our next wave of clinical teachers. Finally, an advanced clinical physicians training pathway commenced in January 2008 supporting selected trainees in completing their training as a general physician. The basic physicians pathway is proposed to be implemented from January next year.

CHAIR: Thank you very much. The time allocated for government questions has expired. Member for Surfers Paradise, there is about five minutes remaining. Do you have some additional questions?

Mr LANGBROEK: Thank you, Madam Chair; I do. I refer to the SDS at page 2-112 relating to the employment figures, and I ask: will the minister advise the committee of the details of a freeze on hiring of staff in Queensland Health and is he only recruiting to vacancies that already exist?

Mr ROBERTSON: What has been put in place is to ensure that districts maintain and work to their budgets. Because we have seen such a significant increase in staff, the challenge is always to ensure that budget discipline is maintained. So the acting director-general at that time put out a memo with my support to ensure that districts did in fact maintain budget integrity and did not go over budget as a result of ongoing recruitment efforts. The core of that was not to put a freeze on filling those positions or recruiting staff; it was to ensure that they did not recruit above their budget. Therefore, they were allowed to continue to replace vacancies as they arose, but once they had reached their caps that was it. That is no different from any other government department or any other private industry or

corporation. Everybody has to work to a budget. If that budget cannot be maintained—and I reflect back to an earlier question—then we have provision in government for agencies to bring forward a mid-term review application for additional funds should additional funds be available from Treasury. That is the process that all governments abide by, and a not dissimilar situation exists in the private sector.

So our expectation in terms of the leadership of this organisation is that all facets of this department abide by just fundamental principles of good budget integrity. I know as a result of that there was a lot of gnashing of teeth and breast-beating around the place, but people have to understand that our budgets get formulated to meet particular targets in terms of the levels of demand. If those targets are not appropriate to changed circumstances, we have mechanisms for additional funds to be made available in particular circumstances. That is a culture and a procedure that needs to be inculcated even further in terms of this organisation. Michael, you may want to top up on that.

Mr Kalimnios: The only other thing I would add to that is that it was a strategy that ended on 30 June. As of 1 July this year, we are back into our normal budget management mode where we have reset our budgeted FTE and districts and areas are free to manage within that allocation as the minister has indicated.

Mr LANGBROEK: We have cleared the credit card; we can start cranking it up again. My next question refers to page 2-124 of the SDS relating to public health services. Will the minister reveal the cost of the four measures discontinued—breast cancer screening, cervical cancer screening, opioid treatment program clients and the school nurse program? Why have the last two been discontinued in any reporting form?

Mr ROBERTSON: We will take that on notice. I do not see a problem about providing that information.

Mr LANGBROEK: I am just wondering about the last two—opioid treatment program clients and the school nurse program—that have now been discontinued in any reporting form. Why would we not want to know whether we have more school nurses and also, in the case of opioid treatment program clients, whether we have more or less than the year before?

Mr ROBERTSON: I think that is a fair question. I will give that some thought as to whether we should look at reviewing that. I think that is a valid question.

Mr LANGBROEK: Thank you. In the time remaining I ask the minister to clarify the issue of 13HEALTH, because I was going to ask something about 13HEALTH even though a Dorothy Dixer was asked before. There is concern about it being a national call centre and the fact that its performance is tipped to go down—that is, in terms of calls being answered within 20 seconds it will be aiming for 80 per cent and not 86 per cent. Also you mentioned something about flood information. Do people just ring a number hoping for some information about something irrelevant? Could you clarify that?

Mr ROBERTSON: The benefit of having your own call centre is the ability to create the algorithms as to how call centres actually work in terms of the questions that get asked and the responses by people to provide them with accurate information. So what we have seen—and I outlined that in my answer—is that during the course of the last year or so we have been able to provide bolt-on services to meet emergent needs, to have available a call centre that goes beyond just 13HEALTH's traditional roles. I have reflected on that and I have been tossing up whether we should go down the national call centre path and become part of that or whether we should keep our own one. I am still convinced that, even though it is probably over time more expensive to keep 13HEALTH going rather than joining the national call centre, we get value for money out of it.

Mr LANGBROEK: Is it not a COAG agreement to go national?

Mr ROBERTSON: No, states have the ability to opt in.

Mr LANGBROEK: I am sorry.

Mr ROBERTSON: As a result of adding into that the additional family services we talked about before, I think that just adds to 13HEALTH's usefulness across a range of services that get provided. It provides security of employment for those who actually work at 13HEALTH. We will keep it under review, but my judgement at this stage is that we get value for money out of it.

CHAIR: Thank you, Minister. The time allocated for the consideration of the estimates of expenditure for organisational units within the portfolio of the Minister for Health has expired. Minister, on behalf of the committee I thank you and your departmental officers for your attendance. The transcript of the hearing will be available on the Hansard page of the parliament's web site within approximately two hours. The committee will now break for afternoon tea. The hearing will resume at 4 pm with the Minister for Police, Corrective Services and Sport.

Mr ROBERTSON: Madam Chair, can I just record my thanks to yourself, members of the committee, my opposition spokesperson and also the leadership team behind me from Queensland Health—a group of very hardworking and very fine individuals. I thank them for the support they have provided me with.

CHAIR: Thank you.

Proceedings suspended from 3.46 pm to 4.00 pm

ESTIMATES COMMITTEE B—POLICE, CORRECTIVE SERVICES AND SPORT**In Attendance**

Hon. JC Spence, Minister for Police, Corrective Services and Sport

Mr S Tutt, Senior Adviser

Mr C Bombolas, Parliamentary Secretary to the Minister for Police, Corrective Services and Sport

Queensland Police Service

Mr B Atkinson APM, Commissioner of Police

Mr P Brown, Deputy Chief Executive

Ms K Rynders APM, Deputy Commissioner

Mr I Stewart APM, Deputy Commissioner

Mr B Moy, Director, Office of the Commissioner

Queensland Corrective Services

Mr F Rockett, Director-General

Mr N Whittaker, Deputy Director-General

Mr J Mullen, Assistant Director-General

Department of Local Government, Sport and Recreation

Mr M Kinnane, Director-General

Mr C Matheson, Deputy Director-General (Acting)

Mr B King, Executive Director, Queensland Academy of Sport

CHAIR: Good afternoon. The hearings of Estimates Committee B are now resumed. The next item for consideration is the proposed expenditure for organisational units within the portfolios of the Minister for Police, Corrective Services and Sport. Mrs Christine Smith is unable to participate in the rest of today's hearings. I welcome Mr Simon Finn MP, the member for Yeerongpilly, who will take her place on the committee for the balance of the hearing today. I would like to introduce myself. I am Vicky Darling, the member for Sandgate and the chair of the committee. Dr Bruce Flegg, the member for Moggill, is the deputy chair and the other committee members are Mr Vaughan Johnson MP, the member for Gregory; Mr John-Paul Langbroek MP, the member for Surfers Paradise; Mrs Christine Smith MP, the member for Burleigh who I mentioned will not be here for the last part of the hearings; the Hon. Dean Wells MP, the member for Murrumba; and Mr Wayne Wendt MP, the member for Ipswich West.

I welcome the minister, departmental officers and members of the public to the hearing. I remind members of the committee and the minister that under the standing orders the time limit for questions is one minute and the answers are to be no longer 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 also sound two minutes after an extension of time has been given.

The standing orders require that at least half the time available for questions and answers is to 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. I ask departmental officers 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 all mobile phones and pagers be switched off or on to silent mode.

I now declare proposed expenditure for organisational units within the portfolios of the Minister for Police, Corrective Services and Sport open for examination. The time allocated is three hours. The question before the House is—

That the proposed expenditure be agreed to.

Minister, do you wish to make an opening statement? If so, I remind you there is a time limit of five minutes.

Ms SPENCE: Thank you very much. I want to make an opening statement and I will do it for my three portfolio areas, because in those portfolio areas this year's budget is certainly delivering for the people of Queensland.

This year's budget is delivering for the people of Queensland across all my portfolio areas. For Police, there is a budget increase of nearly 10 per cent to put more police on the front line, to deter irresponsible behaviour and to target criminals. In Corrective Services, our massive infrastructure program continues to deliver the prisons of the future. In my new portfolio of Sport we are providing increased opportunities for people to exercise and improve their health.

Firstly, I want to highlight this budget's impact on police. The Queensland Police Service is planning to recruit more than 760 police. Of those, 200 will be extra police positions. By October 2009 there will be more than 10,100 police officers helping to keep Queensland safe.

This budget also provides for the staged rollout of conducted energy devices, commonly called tasers. There will be a taser capability in every police district throughout the state by 30 June 2009. Tasers will without doubt improve safety for officers, offenders and the community in general. My congratulations to everyone involved in the trial and those responsible for planning the rollout.

The 2008-09 Police operating budget is \$1.571 billion. It is providing for not only increased police numbers and the right equipment but also new and improved police stations and facilities. Almost \$30 million will see the delivery of six brand-new police stations completed by mid-2009 and \$64 million will go towards building 13 replacement police stations to ensure our police have the modern infrastructure and resources they require.

Planning continues for the development of the \$450 million Police Academy at Wacol which, when completed in 2012, will be one of the best facilities of its kind in the world. More than \$20 million will be spent to reduce the tragic loss of life on Queensland's roads, including 72,000 officer hours for on-road enforcement. This month our tough new vehicle confiscation laws went statewide. These laws target repeat offenders throughout the state. Last Friday I officially opened the new Brisbane Correctional Centre at Wacol, Queensland's first dedicated reception and assessment prison. An amount of \$110 million was spent transforming the former Sir David Longland prison into this new state-of-the-art facility.

That level of spending continues across Queensland in corrective services. In fact, the Corrective Services budget this year allocates \$378 million to building the prisons of the future. That includes work starting on the first stage of the correctional precinct in the Lockyer Valley, the expansion and redevelopment of the Lotus Glen Correctional Centre, the completion of the new Townsville Women's Correctional Centre and the expanded Townsville Correctional Centre. We are proud of our record of no escapes from secure custody and this budget maintains the government's focus on community safety with \$9 million being spent on upgrading cutting-edge perimeter security at existing prisons. We are also proud that we have the lowest recidivism rates in the country, as shown in the 2008 *Report on government services*. Work continues to try to reduce Indigenous representation in our prisons.

It has been a pleasure to have sport and recreation added to my responsibilities. Queensland, like many developed states, is in the grip of an obesity epidemic, so the focus on exercise has never been more important. We have a proud record of providing more funding for sport and recreation than any other state and that will continue during 2008-09 with more than \$78 million to be invested. The Minor Facilities Program has been boosted to \$12.5 million per annum to help clubs improve the standard and availability of their facilities and there is a new round of the Major Facilities Program, boosted to \$30 million, to support the development of major community sport and recreation facilities.

The Find Your 30 campaign is really starting to take off. It encourages everyone to find 30 minutes of exercise a day by making small changes to their daily lives. I have personally pushed to expand the work of PCYCs to support Indigenous communities that go dry. When kids have access to sport and recreational activities, it not only keeps them active but also overcomes boredom and truancy. Our PCYCs are great in contributing to that.

I would now like to introduce the team at the table with me today. I have Commissioner Bob Atkinson; Deputy Commissioners Kathy Rynders and Ian Stewart; Deputy Director-General Paul Brown; and Executive Director Bruce Moy. I also have from the Prostitution Licensing Authority Judge Manus Boyce QC; acting ED Margaret Isaac; and Finance Officer Jan Johns.

CHAIR: Thank you, Minister. We will commence with the area of police. The first period of questioning is allocated to non-government members. I call the member for Gregory.

Mr JOHNSON: Thank you. Madam Chair, before I ask my first question of the minister I want to make a statement if I could. I would like to note that yesterday it was one o'clock before we received answers to questions on notice from your office. They should have been in by 10 am yesterday morning. I believe that is a clear breach of your responsibilities as minister, the attitude of this committee and indeed the government's attitude to accountability in general. I know, Minister, you have a great record and I have always had a very close working relationship with you. I want to keep that going. So at this time I am not going to refer you to the principal's office but I hope that we do not see this breach happen again.

Ms SPENCE: If that is the case—I was not aware of it—I do apologise.

Mr JOHNSON: Thank you. My first question to the minister is with reference to page 2-265 of the Service Delivery Statements and specifically employee expenses. Will the minister provide the number of former Queensland police officers who in the last year provided as the reason for leaving the service in their separation interview that they intended to join the Australian Federal Police?

Ms SPENCE: During the period from 1 July 2007 to 1 May 2008, 34 Queensland Police Service officers have resigned from the service to pursue a policing career with the AFP. It is no secret that the AFP has been actively targeting our specialist officers. They have been targeting our SERT officers, our Water Police, our divers, our Bomb Squad officers—anyone who we have put a lot of money and effort into training. Certainly they are the officers who they have targeted. It is no secret that the AFP is paying more and for some officers I guess it is an attractive proposition not only to get offered more money but also to get offered the opportunity of policing around the world. On the other hand, we have had a number of officers who have gone to the AFP who have wanted to return to the Queensland Police Service for whatever reason.

Quite seriously, we are attracting a lot of officers from interstate—from New South Wales and Victoria. I am not sure whether we have those figures with us, but at every graduation ceremony I attend I can see how many we are attracting from other states. I do not want anyone to have the impression that people are leaving the Queensland Police Service in droves for the AFP. Thirty-four is quite a small number, given that we have almost 10,000 police. As I said, some of them are wishing to come back. Do you want to add something there?

Commissioner Atkinson: Thank you, Mr Johnson, for the question. The minister's comments are quite correct. It is a very competitive environment. For just about every jurisdiction in Australia recruitment and retention are the major issues. We are doing okay with recruitment. Retention is more of an issue for us. It is disappointing to lose experienced police. We would welcome them back. We hope that most of them do come back to us eventually. But we are the employer of choice for other police jurisdictions, as the minister indicated. We have two training programs. One is for recruits straight off the street and one is for former police, which is a three-month program. We attract police not just from other Australian police jurisdictions but from New Zealand and other countries as well.

Mr JOHNSON: Minister, you have virtually answered my next question. I am as concerned about this issue as much as you are. I think everyone is genuinely concerned about it. Bearing in mind that it costs, I believe, about \$80,000 to train a police officer, do you have a game plan in place now to try to keep those police in Queensland rather than lose them to other jurisdictions?

Ms SPENCE: Certainly the Police Service is working on the issue of retention all the time. You have just heard the commissioner say that attraction is not our challenge, because we are managing to continue to attract really high-quality individuals who want to join the Queensland Police Service. In fact, since we started our new recruitment campaign last year—it is called We Don't Do Boring—we are getting about 1,000 applicants a month or people expressing an interest in joining the police. So we are in a very good position there.

But, of course, we do not want to lose officers the taxpayer has paid a lot of money to train. That is a huge issue for us. There are a number of strategies that the police are undertaking to keep those officers, including conducting exit polls. We cannot force people into doing that, but we are doing that to find out their reasons for leaving. Frankly, they are not necessarily leaving to go to other police services; they are going to very highly paid jobs in private industry. We have a very volatile labour force and a low unemployment environment.

In my own area a number of police have opened real estate agencies. They are making a fortune and then they have encouraged their other police mates to join them. They are opening up real estate agencies everywhere in Sunnybank. It is very hard to retain people in that kind of competitive and buoyant economic environment, but the police certainly are working on a number of strategies to do that. We do not want to lose them. We are very fortunate that we do not lose that many of our highly qualified officers who are very desirable commodities out there in private enterprise. Did you want to add anything?

Commissioner Atkinson: Our attrition rates are currently just on five per cent which, by industry standards, is good. It actually has been less than that in the past. People are not leaving us because they are dreadfully unhappy with the organisation. We certainly do not believe so. They are leaving because of better financial opportunities elsewhere. To some extent that is the price of a more professional department. When we look at where we are now compared with where we were 20 years ago, halfway through the Fitzgerald inquiry, it is a very different organisation. As the minister indicated, it is just to the Federal Police. We are not losing any police to other jurisdictions apart from the Federal Police, and that is because some of the financial incentives, particularly for overseas deployment to the Solomons, Timor and possibly PNG, are just enormous.

Mr JOHNSON: My next question to the minister refers to page 2-265 of the SDS, specifically 'Other expenses'. Minister, will you provide details of the cost of the Queensland Police Service's WorkCover policy this year?

Ms SPENCE: We do not believe we can provide it for you right now, but certainly we can take it on notice and get back to you.

Mr JOHNSON: Thank you, Minister. Will you be able to also provide details of how many complaints WorkCover has considered under the Queensland police WorkCover policy? That is probably in the same vein.

Ms SPENCE: We will have to take that on notice as well.

Mr JOHNSON: All right. Minister, will you provide the committee with the cost of providing police security for the Premier since she became Premier last year?

Ms SPENCE: I am sure that the police commissioner will add to this. The Police Service is continually asked to provide information about the cost of various operations. For example, last week we were asked by the media and others to break down the cost of the Dennis Ferguson operation. We were asked to break down the cost of the Indy operation and the schoolies operation. It goes on and on. I guess on a monthly basis I will be with the commissioner at a press conference when we are asked to break down the cost of operations. The answer is always the same: the Police Service does not break down those kinds of costs. However, I am sure in a general way we can tell you the extent of the private security coverage that the Premier enjoys. I understand it is two officers at all times. The commissioner can elaborate on that.

Commissioner Atkinson: Sometimes it is two officers, sometimes it is only one for the Premier. The Premier's security is part of our overall responsibility to provide close personal protection for a whole range of people. They include visitors to Queensland, the Prime Minister and interstate persons who require close personal protection. All of this is done on the basis of risk and threat assessment and it relates to the particular circumstances that exist at that time. With the greatest respect to the Premier, the CPP provided to the Premier is simply part of the responsibility of the Security Intelligence Branch, which has a very broad responsibility and is situationally based in terms of the particular circumstances.

I might say, too, that that has existed for as long as I can remember. I can remember as a young detective in Goondiwindi providing part of the security package when the area was visited by Sir Joh Bjelke-Petersen as Premier of Queensland. CPP for the Premier of Queensland has been in existence for a terribly long time, regardless of what political party is in power at the time. That is a responsibility that I think we should embrace and do.

Mr JOHNSON: Thank you. Madam Chair, my next question refers to the appropriation of almost \$503 million to crime management, found at page 2-259 of the SDS. Will the minister outline the rate of unsolved crimes in the last financial year?

Ms SPENCE: In terms of offences against the person, I am giving you the figures that I have here from 1 July 2007 to 31 December 2007. We are looking at that six-month period. The clear-up rate reduced by three per cent. Sixty-five per cent of offences were cleared. Compared to the corresponding half-year period of the year before, that was a reduction of three per cent. Given that the percentage of offences against the person reported and cleared continues to show an increasing trend, I think the fact that we are getting a reduction in the clear-up rate is significant.

Sixty-nine per cent of offences reported in 2002-03 were cleared; 70 per cent of offences reported in 2003-04 were cleared; 72 per cent of offences in 2004-05 were cleared; 74 per cent of offences in 2005-06 were cleared; and 74 per cent of offences in 2006-07 were cleared. We are seeing an increase in the number of offences cleared each year, and that is obviously very pleasing. The number of offences against property for that same period reduced by 12 per cent when compared to the same period of the year before. Every year we are seeing an increase in the number of offences against property being cleared up.

If the point of your question is finding out if police are doing a better job of clearing up crime rates, that is increasing every year. We do report on that in the statistical review that I table in the parliament every November. From those rates it should be very obvious to all Queenslanders that in some offences we are seeing increased reporting, particularly with sexual offences, but in all categories we are seeing a better performance in terms of clear-up rates.

Mr JOHNSON: Minister, while talking about clear-up rates in crime, can you tell the committee of the latest developments in the rape of the nurse at Cape York? Has the culprit been brought to justice yet or is the investigation still underway?

Ms SPENCE: I actually cannot answer that one, but I will ask the commissioner to talk about it.

Commissioner Atkinson: Sir, perhaps we could ensure later that we are talking about the same matter, but my understanding is that a person has been arrested and that matter is now before the courts. That being the case, it would be inappropriate for me to comment further.

Mr JOHNSON: I understand that fully. Thank you for that. Minister, I refer to the resourcing of Task Force Argos in Queensland. How many sworn police positions supporting Task Force Argos remain unfilled and for how long has each of those positions remained unfilled?

Ms SPENCE: I might introduce Deputy Commissioner Kathy Rynders. It is the first time in this estimates process that we have had two deputy commissioners. It is the first time we have had two deputy commissioners in Queensland. It would be worthwhile for opposition and government members to now appreciate their different responsibilities. Deputy Commissioner Kathy Rynders is responsible for the operational activities of the eight police regions. Deputy Commissioner Ian Stewart is responsible for everything else.

Deputy Commissioner Stewart: Specialist operations.

Ms SPENCE: Deputy Commissioner Stewart might have a comment. Argos would fall in your area?

Deputy Commissioner Stewart: It does, Minister. Argos is a particularly challenging area for our people. We have very skilled operational staff who tend to stay in the area, but there is a high rate of attrition in that area. I cannot give you the specifics, but I am happy to follow that up for you in terms of current positions which are vacant. We are always looking to recruit skilled staff in that area. We have processes in place to manage their physical and mental health.

Mr JOHNSON: I refer the minister to the child abuse unit within the State Crime Operations Command. Minister, how many unfilled vacancies are there for sworn police officers in this unit and how long have those positions remained unfilled?

Ms SPENCE: I think we will give the same answer there. We have not come here today with the figures for every unit in every station in Queensland showing how many vacancies might exist. You heard from the deputy commissioner about Argos. The same would be the case in the Child Abuse Unit. These are some of the toughest jobs in the Police Service. We are very, very fortunate to have such highly qualified and dedicated officers working in these areas.

Mr JOHNSON: I am well aware of that, Minister.

Ms SPENCE: The turnover is significant, and you want it to be significant. Many people cannot continue with this kind of investigation year in, year out. Every couple of years there is quite a bit of encouragement for them to move on, and they are psychologically assessed or at least counselled to see whether, in fact, they should stay or move on. I am happy to try to get you some figures on that, but we will have to take it on notice.

Mr JOHNSON: Thank you, Minister. I draw the minister's attention to page 2-257 of the SDS. In your opening address today you said that Queensland police officers put in 72,000 officer hours employment in trying to provide road safety to Queensland motorists. I have heard you and the commissioner say in recent days that the road toll in Queensland is out of control. I notice in the statements here that only two new Q-cars will be provided this year, and no doubt there will be unmarked cars. Does the minister have a grand plan to further create a police presence on our roads to bring this horrific road toll down?

Ms SPENCE: That is a very important question. The 72,000 officer hours that I talked about in my opening statement are additional officer hours. They do not include the hours of our traffic police. They are the funded overtime hours to put additional police on the road during the holiday periods.

In terms of the car issue, I am not sure if it is you but certainly from the opposition I have heard it said from time to time that the government refuses to buy police cars. That is simply not the case. During the more than four years that I have been the minister, every single time that a request has come to me from the Police Service to authorise the purchase of new vehicles I have agreed to it. I have never even questioned it.

Once upon a time, interestingly enough when the National Party was in government, the request for new vehicles was a decision that went to cabinet and cabinet ticked off on every new police car. It is probably still an anachronism that the minister ticks off on it, but that is the case today. I have always approved new police vehicles. If the police come to me saying they want more Q-cars, they can be guaranteed that I will support them. It is their budget to manage and if they can afford more Q-cars within their operational budget of \$1.5 billion, I will support that.

CHAIR: The time allocated for non-government questions has expired. Minister, page 2-254 of the SDS refers to the provision of 200 new sworn police officer positions, bringing Queensland police numbers to in excess of 10,000 by October 2009. How will these increases improve the safety and security of Queensland? Will this meet the government's commitment to keep the police to population ratio at or above the national average and can you provide an update on the civilianisation strategy?

Ms SPENCE: I can. I have to say at the outset that I was very concerned to learn that the Leader of the Opposition in his budget reply speech made the following comments—

In Police we see that there has been a real decrease in new recruit numbers and that the total new police officers of 200 will not even match the current number leaving the service which was 269 in the first nine months of this financial year. Overall, we are going backwards with the numbers of police.

Seriously, from a man who puts himself forward to be the future Premier of Queensland, such a simple misunderstanding of the growth in police numbers is certainly alarming. When we talk about an additional 200 police, we mean an additional 200 police. That does take into account attrition. As I said

before, we expect, taking into account attrition and the 200 new positions, that we will be recruiting 760 new people to join the Police Service in the next 12 months. As I have frequently said, our commitment as a government is to keep the police to population ratios above the national average. The national average now is one officer to every 430 Australians. In Queensland we have one officer to every 429 Queenslanders. So we are doing better than the national average.

Just in this term of government the average has changed, because at the beginning of this term of government it was one officer to 436 Queenslanders. Now we are doing better. We are down to one officer to 429 Queenslanders. The national average keeps improving but the Queensland average keeps improving. We are now one officer to 429 Queenslanders. In the 1970s under a National Party government it was one officer to every 600 Queenslanders. In 1997 under a National Party government it was one officer to every 523 Queenslanders. So we are improving our police to population ratios all the time and we think that is very important.

We acknowledge that police numbers do make a difference. One of the reasons we have seen such impressive reductions in crime and impressive increases in clear-up rates in the last four years in particular is that we have more numbers of police officers out there than ever in the past. I would encourage the shadow minister to have a word in his leader's ear and correct that misconception that he has entered into the record of the parliament because I would hate him to go around repeating that statistic throughout Queensland. By October next year we will have well in excess of 10,000 police in this state and that is the best police to population ratio we have ever seen.

Mr FINN: Minister, you mentioned in your opening statement the rollout of tasers, and it is referred to in the Service Delivery Statement at page 2-255. I have had an opportunity to speak with you during the trial about tasers but have not spoken with you following the end of the trial. Can you outline the results and the benefits tasers bring to front-line policing?

Ms SPENCE: Before I came to the estimates hearing today, the commissioner, deputy commissioner and I announced to the media at a press conference that we will spend \$14 million to provide our police with the latest equipment in terms of tasers. We also announced that Breon Enterprises Pty Ltd, the Australasian distributor for Taser International, was the successful tenderer. Over the next year, 1,240 tasers will be purchased and 2,600 officers will receive initial taser training. During the following year, an additional 450 tasers will be purchased with a further 380 obtained as the rollout continues. By June 2009 tasers will be available in every police district throughout the state and a significant proportion of first response officers will be trained in their use. Obviously we will be training our first response officers first. So by the end of 2009 there will be 5,800 officers qualified to use tasers. I will ask Deputy Commissioner Kathy Rynders to talk a little bit more about the rollout because she was in charge of this operation for the police.

Deputy Commissioner Rynders: In developing a rollout plan we were cognisant that the plan was not going to impact adversely on service delivery. Therefore, we have developed a rolling plan with three phases: initially 2,600 officers; the second phase, 2,600 officers. All of those will be front-line officers, so first response officers to calls for service—people such as motorcycle officers, Dog Squad officers, people who have to work by themselves. The final phase will be all of our plain clothes officers and detectives and other specialist areas. It will be a phased rollout but, as indicated by the minister, by the end of next year almost every operational first response officer will have access to tasers and be trained in their usage.

Mr FINN: Thank you. Minister, in my electorate of Yeerongpilly I am acutely aware of the cultural activities of the police and the work that they do in my area. But I also have an interest in policing in Indigenous communities, which is highlighted in the Service Delivery Statement as a key priority for 2008-09. Can you outline for the committee key projects and strategies including how the CAPE Program will assist in the delivery of the Bligh government's alcohol reform measures?

Ms SPENCE: Obviously the Queensland Police Service endeavours at all times to provide better service to Indigenous Queenslanders. Our government has promised to support any discrete Indigenous community that chooses to go dry with a package of measures to support those activities. One of the things that is so successful is the CAPE Program in north Queensland. The PCYC began this program in 2004. They started work in Hope Vale and Napranum communities and also Wujal Wujal. These are communities that do not necessarily have a hall or any kind of facility to conduct normal PCYC activities. Instead, the police are going into these communities and using whatever facilities are available to conduct PCYC activities.

It is so successful that this year we have announced that \$7.6 million will be made available over the next four years to deliver the PCYC CAPE Program in other cape communities. Those that have chosen to go dry will have the first support. You would be aware that we have PCYCs on Palm Island, Mornington Island and Yarrabah. We are also moving the PCYC movement into Woorabinda in an effort to support that community to go dry. I will be talking later on in this session hopefully about what the department of sport is doing to ensure that the \$2½ million that we are spending on the Indigenous sports program complements the work that the PCYCs are doing in those Aboriginal communities.

It does give me great pleasure today to talk about what the PCYC movement is doing in Aboriginal communities and just how committed they are to this because they are not an arm of government; they are independent. They make their own decisions about their own activities. When I go to them and ask them whether they would move into a community such as Woorabinda, a community that they have not had any presence in before, it gives me great encouragement when they are happy to take on that challenge and move their staff and support activities and basically run the sport and recreational activities in a community that is very remote and is going to be a challenge for them. But they have put up their hand and said that they are happy to move into any of the Indigenous communities in Queensland and provide their programs. I think that they are the best solution government can offer to make sure that the kids in those communities have some regular and reliable sport and recreation activities.

Mr WENDT: Minister, you briefly discussed the issue of vehicle confiscations in your opening statement. Page 2-257 of the Service Delivery Statement refers to the introduction of statewide vehicle confiscation laws. Would you please advise the committee what offences are targeted, outline the success of these laws in the first three pilot regions and how they will contribute to making our roads safer?

Ms SPENCE: The type 1 laws are what the police refer to as the hooning confiscation laws we have had in place since 2003. The type 2 laws are the latest round of vehicle confiscations and will target anyone who is charged with multiple offences in one of the five categories. The categories are: driving an unregistered and uninsured motor vehicle; driving whilst unlicensed or disqualified; drink driving over 0.15 per cent; failing to supply a specimen of breath or blood, or driving under 24-hour suspension; or driving an illegally modified vehicle. Under these laws police can impound a vehicle for a repeat offence in the same category—48 hours for a second offence, three months for a third offence and may apply for the vehicle to be permanently forfeited to the state for a fourth offence.

Since these laws have been piloted in the north coast region and the southern region for 12 months and in the south eastern region for six months, four people have had their cars permanently forfeited, 39 people have lost their vehicles for three months and 1,462 people had their vehicles impounded for 48 hours. So we expect that now this has gone statewide there will literally be maybe tens of thousands of vehicles confiscated for 48 hours before people get the message that if they continue to do the wrong thing we will take their vehicles. Interestingly, or we are not surprised—

Mr Johnson: Start crushing them.

Ms SPENCE: We are not surprised that quite a number of people, even after a 48-hour impoundment, choose not to retrieve their vehicle because the cost of a 48-hour impoundment might average \$250. Seriously, if people's vehicles are not worth it they are not taking them back. Certainly in the case of a three-month impoundment it is going to cost them thousands of dollars to get their vehicles back. So we expect that a lot of these people will not retrieve their vehicles and these vehicles will be auctioned. In fact, in the Ipswich area alone, between July 2007 and April 2008, they confiscated 276 vehicles—they are very good out at Ipswich—and 36 of the vehicles have been auctioned recently because they have not been picked up by the owners.

The shadow minister just said that we should start crushing them. I know that it is an attractive option but I think a far better way is to sell these vehicles at auction and get whatever money we can to put back in to help pay the fines. These are people who have thousands of dollars outstanding in SPER fines, so I think the money is better going back to the state rather than the quick fix, perhaps sensational action, of just crushing the vehicles.

Mr WENDT: Thank you, Minister. I agree with what you say. Page 2-255 of the SDS states that the new Queensland Police Academy will be a state-of-the-art, world-class training facility, which you mentioned again in your opening statement. Would you please outline what key functions are to be based at the academy, the benefits to the local community and when can Queensland expect these functions to be delivered?

Ms SPENCE: The academy will provide an essential one-stop shop for the Police Service's training requirements. The academy will have on site a driver training facility; counter-terrorism and specialist services including SERT, PSRT, the Bomb Squad and the Dog Squad; forensics including DNA analysis and digital imagery; living quarters; and an educational precinct. The time lines are: June 2009—the new driver training facility will be operational; 2010—the special operations and counter-terrorism facility and the new scientific building will be completed; the end of 2011—completion of the academy itself.

I am pleased to advise that the site has been purchased from Queensland Health and is in the advanced stages of planning to deliver this very important project. A master plan for the new academy has been developed that details the proposed layout of facilities on the site, as well as cultural heritage and environmental management strategies. The new academy will be a green academy focusing on environmentally sustainable design, land management and energy use. It is not the only area of police which is going green. I have to tell you that our police cars are too. Just to add to that, the QPS analysis of carbon dioxide emissions showed that as at 30 June 2007 the QPS motor vehicle fleet produced 54.8

tonnes of carbon dioxide emissions per day. From this baseline, the QPS future targets were set at staged reductions over the next 10 years. A subsequent police analysis of carbon dioxide emissions revealed that as at 7 March 2008 the police car fleet produced 46.1 tonnes of carbon dioxide emissions per day, thus meeting their 2010 targets two years ahead of schedule.

I would like to congratulate the Police Service today. I think many people were very sceptical about the Police Service's ability to achieve these targets. They have surprised many of us by being able to make their fleet a lot greener than we imagined in a lot shorter time frame. They have many further strategies to do that, as well as obviously making this academy the greenest academy they possibly can.

CHAIR: Thank you, Minister.

Mr WELLS: I refer to page 2-256 of the Service Delivery Statements and the receipt of an additional aircraft for the assistance of police in the Torres Strait. What is the current air wing capability of the Police Service and what are the priorities for the future?

Ms SPENCE: The Police Air Wing presently has five aircraft which are based around the state. Currently, two aircraft are based in Brisbane, two are in Cairns and one is in Mount Isa. The most recent acquisition—a Cessna 208 Caravan—commenced service in June 2008 at Mount Isa. It replaced an older Cessna which is now based in Brisbane and is currently being used for cost recovery flights and as a stand-in aircraft for others in the fleet which are undergoing maintenance or refurbishment downtime.

The 2007-08 budget provided funding of almost \$5 million for the set-up and delivery of an additional aircraft and related infrastructure that will service the Torres Strait. An order has been placed for this aircraft, and it is expected to be completed by the end of the 2008-09 financial year. In addition to the aircraft, a house has been purchased on Horn Island for use by the pilot, and the development of a hangar facility is underway.

The Cessna Citation C560 jet aircraft is based in Brisbane and provides a rapid response for our SERT officers as well as high-speed transport over long distances. The aircraft has a capability of reaching Thursday Island in just three hours, Adelaide or Mount Isa in two hours and Auckland in three hours. It has a capacity of 10 passengers with limited baggage but generally operates with eight passengers. At the time of purchase, the aircraft was equipped with the latest avionics technology and has since undergone several upgrades to improve safety. This aircraft is a back-up for the government jet and can be used for medical emergencies, including transporting donated organs around the state.

So while we hear a lot from the opposition, the union and members of the public about the police having a helicopter, what people do not appreciate is that the Queensland Police Service has the largest fixed air wing of any police service in Australia. We are the envy of every other state in terms of our police aircraft. No other police service in Australia has a jet, and of course given the decentralised nature of Queensland it makes sense that we continue to increase the police fixed-wing fleet before the police would ever see a helicopter as a priority.

Mr WELLS: Page 2-254 of the Service Delivery Statements indicates that targeting major and organised crime is a key police priority. What success has the Outlaw Motor Cycle Gang Task Force had in tackling organised crime? How does this year's budget assist this priority?

Ms SPENCE: The Outlaw Motor Cycle Gang Task Force, which was an election commitment of the 2006 election, was established in September 2006. This government is investing \$577,000 to fund the ongoing operations of that task force in this year's budget. It is responsible for strategies aimed at disrupting and dismantling outlaw motorcycle gangs in the state. The strategies include ongoing liaison with interstate law enforcement agencies in relation to the policing of outlaw motorcycle gangs and the Australian Crime Commission's Outlaw Motorcycle Gangs National Intelligence Task Force. There are currently 24 officers assigned to the task force supported by the resources of the State Crime Operations Command. The strategic assessments of Queensland based outlaw motorcycle gangs and members with the national and international context are conducted to provide tactical, operational and strategic direction.

An operation targeting Hell's Angels, Finks and Nomads outlaw motorcycle gangs resulted in the arrest of 16 people on drug-trafficking, manufacturing and producing methamphetamines and other offences involving firearms, stolen property and asset seizures. Significant seizures included three clandestine laboratories, three hydroponic houses, assets and large sums of money, and further asset seizure is anticipated. It is nationally recognised that outlaw motorcycle gangs use organised bike runs to recruit new members. During the past 12 months, the Outlaw Motor Cycle Gang Task Force in conjunction with the regional police has coordinated the responses to the Bandidos national run, the Finks rolling bike show on the Gold Coast and a number of other outlaw motorcycle gang poker runs. This intelligence obviously has added to the arrests.

CHAIR: Thank you, Minister. The time allocated for government questions has expired. I call the member for Gregory.

Mr JOHNSON: Minister, in recent times police officers have done a magnificent job in providing the public with protection by looking out for this sex offender, Dennis Ferguson. I refer to the budget of the Child Protection Offender Register, given that within a week of Dennis Ferguson being relocated to Carbrook \$365,000 has been earmarked for his protection. What proportion of the offender register budget does this represent, and will the money be extracted from the register budget, the local police region budget or some other source? I know the question could be across both Corrective Services and Police here, but it is the police who are doing the protection at the moment.

Ms SPENCE: I thank the member for the question. You would be wrong to say that \$365,000 has been earmarked for the protection of Mr Ferguson. That simply would not be the case. Maybe that was a figure that was put in the newspaper but it certainly did not come from the police. In fact, no figure has ever been earmarked for this operation and nor would it be. The police who have been with Mr Ferguson have come from a number of areas of the police, including Task Force Argos and the child protection people, but more importantly local police have been involved in this operation as well.

It would be wrong to put a figure on it and it would be impossible to put a figure on it because last Tuesday night there was a public meeting where maybe 40 police were involved in organising security at the meeting. At some other times, there may only be two police detailed outside the house. It would be wrong to concern people that money was going from a child protection budget to Mr Ferguson's protection. However, and I have said this in the media, it is very sad that some of our best detectives have had to put their time into Mr Ferguson when they would have been much better off catching more child sex offenders out there in the community, but unfortunately that has been required. Maybe the commissioner wants to add to that.

Commissioner Atkinson: I am mindful too of the fact that the matter involving Dennis Ferguson is still before the courts in the sense of there being an appeal, so I am conscious of not wanting to say anything that might harm that process. In a broader sense, inevitably in Queensland from year to year there will be some event that requires us to respond appropriately. It could be a cyclone, it could be the Bundaberg train crash, it may be a particular circumstance such as this that requires, properly, police resources regardless of what one might personally think of the individual concerned to ensure that that person does not come to any physical harm and that is our role.

In a broader sense too, I guess in my years in this role which I have been privileged to have I have seen few situations that have had a greater degree of difficulty and have been more complex than this particular one. One understands some of the sentiments that are being expressed but the reality is that technically Ferguson is a free man at the current time and the situation is that we would hope that people would accept that he has to live somewhere and that we will monitor him to the best of our ability.

CHAIR: Member for Gregory, before you continue can I just remind the committee that under standing order 115 questions should not contain the names of persons unless they are required to make the question intelligible. I think this is such a current case and I will allow that line of questioning if you can be careful of the sub judice rule.

Mr JOHNSON: I hear what you are saying, Madam Chair. If I can say to you, Sir, I congratulate you and your officers in the Queensland Police Service for the professionalism you have displayed in this matter.

Commissioner Atkinson: Thank you, Mr Johnson.

Mr JOHNSON: During estimates last year, Minister, you said that by October 2008 we will have 9,928 officers in Queensland. You also said that we will not reach 10,000 until October 2009. Given there were 269 resignations until March 2008, isn't it true that the additional 200 on top of the general recruiting will not even replace the number resigning?

Ms SPENCE: Could you repeat what I said?

Mr JOHNSON: That by October 2008 we will have 9,928 officers in Queensland. Minister, can you inform the committee how many police officers separated from the service in 2008-09?

Ms SPENCE: I reckon I am going to do better than my predictions because as at 30 June 2008 we had 9,832 police and by October this year we expect we will have more than 9,900. So maybe I will not do better but we will hopefully meet the 9,928 that I did predict last year. That is an increase of 46 per cent in the last 10 years that we have been in government.

In terms of the separation rates, I am happy to table the separation history by year since 1985. I do it all the time, although I probably have not done it for a little while. The separation rate for 2007-08 was 5.04 per cent. I am not walking away from the fact that it is a higher separation rate than we have seen in the last 10 years, but in 1989-90 it was 5.36 per cent so we have seen separation rates over five per cent in the past. In this competitive employment environment, and we talked about that at length before, it is understandable. Also, as our police age, they are required to resign by the time they are 60. When you look at the retirement rate versus the resignation rate in the table that I am going to table, you will see that the majority of our police are leaving because they are retiring rather than resigning. In fact in the last year 373 people left through resignation, whereas in total 489 left the Service. I am happy to table that.

Mr JOHNSON: Thank you, Minister.

CHAIR: We just need to seek the leave of the committee for that to be tabled.

Ms SPENCE: Would you like to see these figures?

CHAIR: Yes, please. Is leave granted?

Mr JOHNSON: Yes.

Leave granted.

Mr JOHNSON: Minister, an issue of grave concern to police in rural and regional areas is the rent for police housing or rent for police. This creates a great disadvantage when attracting police officers to these regional areas—for example, Mount Isa and Mackay, where rent is out of the question because of the resources boom. In some of these places, the rent is up around \$700 or \$800 a week. How are you going to address this issue in attracting first-class, front-line police officers to these important regional districts?

Ms SPENCE: I could not disagree with you. That is absolutely true and we know that Mackay in particular is a challenge for many police in terms of renting. Attracting and retaining quality police officers in rural and regional Queensland has always been a challenge for the Queensland Police Service and high rental prices do not make it any easier but there are some positives. From 1 July this year, a new area allowance of \$10,000 per year for the attraction and retention of police officers in specified Indigenous communities has commenced. In March 2007, the board of management approved in principle a number of recommendations in relation to the attraction and retention of officers and their families in rural and remote areas. This included approval for a listing of appropriate rural and remote locations where incentive initiatives would be applicable and three specific incentive scheme initiatives—the education assistance, the rural and remote location payments and internet cable/satellite connection.

The rural incentive scheme was to be raised as part of the recent enterprise bargaining process. However, the incentives were removed from the bargaining list in favour of greater overall salary increases. The QPS is currently examining the rural incentive scheme option as part of the service's overall attraction and retention strategies and in light of the 2008-09 budget commitments.

As well as that, you would be aware that the Police Service has purchased a number of motels around Queensland and, most recently, it has purchased another motel in Mount Isa and refurbished that for barracks for police. In my time as minister we have purchased a motel in Cairns for barracks for police, and I know that the service is on the lookout for those kinds of facilities in other parts of Queensland because they do provide a very good option for police in those particular areas.

We have acquired a number of houses in the last year at places like Duaringa, Jundah, Camooweal, Bundaberg, Marian and Cunnamulla. So there are residences in each of those places. To be acquired this year, we are going to look at residences in Cooktown, Gin Gin and four more in Mount Isa for our police. That is the other part of the equation—getting residences and places so that our police do not have to rent on the private market.

Mr JOHNSON: Thank you, Minister. I am glad that you are well aware of it. I have to say that recently the old barracks in Longreach were knocked down, but you should get the local police to lock the bloke up who drove the shovel there for not turning it and knocking the rest of the station down. But, anyway, maybe that will happen in time. I thought you would like that.

For my next question to the minister, I refer once again to the crime management appropriation found at page 2-259 of the SDS. Minister, will you provide details of how many people are currently on bench warrants in Queensland? What efforts are being undertaken to bring these people to justice?

Ms SPENCE: I am not sure that we actually keep the bench warrant figure.

Commissioner Atkinson: My understanding of a bench warrant is that it is a warrant that is issued where a person fails to appear in court. We could take the question on notice and endeavour to find out. It may be that it is also something that is within the province of the justice department, but I am happy to take it on notice and endeavour to answer it.

Mr JOHNSON: Thank you, Sir. Minister, I refer to page 2-262 of the SDS and specifically the number of sexual assaults reported in Queensland. Will you outline the number of offences reported to police of indecent treatment of children under 16? Can you detail how this figure is comparable to recent years?

Ms SPENCE: We do not record it by age. We do not believe we record it by age anywhere. Whether the Attorney-General's department does—

Mr JOHNSON: Well, sexual offences against children, Minister; do you have that?

Ms SPENCE: Whether the Attorney-General's department might have that information—

Mr JOHNSON: I am sorry, Minister?

Ms SPENCE: The police report sexual offences by person, not by age, which is what you are asking for.

Mr JOHNSON: Yes.

Ms SPENCE: We will take it on notice for you, but I suspect we will have to go to the Attorney-General's department because I suspect the police do not record that kind of information. We do report on it in two categories—rape and attempted rape, and other sexual offences. For the period July 2007 to March 2008, the rate of sexual offences per 100,000 persons increased by two per cent compared with the same period the year before. Of those offences reported between July 2007 and March 2008, 62 per cent occurred in the same period in which they were reported and the rest of them were obviously historical offences. Between July 2007 and March 2008, 14 per cent of reported sexual offences occurred at least 10 years prior to being reported to police. This represents a decrease when compared to the same period in the years before. While we have gone through a period of people reporting historical offences, as we predicted, maybe that is slowing down a bit as those historical cases are coming forward. However, there has been a two per cent increase in the rate of sexual offences occurring in real-time and that should be of concern to everyone in our society.

Mr JOHNSON: Absolutely.

Ms SPENCE: I guess there is a lot of analysis about why that is occurring. Is it because the incidence of sexual abuse is more prevalent, or are we better at encouraging people to come forward? Or is it because we are putting more officers in Indigenous communities and we are seeing more reporting from those communities than ever before? I think there are a lot of reasons we are getting an increase in this category. As we say every year when we put forward the statistical review, it is the only offence category that continues to increase, and we really do need to continue to examine why the area of sexual assault continues to increase in our society and what are the drivers behind that.

Mr JOHNSON: Madam Chair, I refer the minister again to page 2-265 of the SDS and specifically employee expenses. Minister, will you provide details of how many complaints of bullying have been made by members of the Queensland Police Service this year and how many have been finalised? Have any officers been disciplined as a result of any of these bullying allegations?

Ms SPENCE: We do not keep a category called 'bullying', but what I can tell you is that during the financial year 2007-08 the rate of complaints was 179 per 1,000 officers. It is important to remember that these numbers represent the total number of complaints received. They are not a measure of investigated and substantiated complaints. In fact, less than one per cent of matters finalised in 2007 resulted in disciplinary sanctions being imposed. It is also important to remember an increased level of reporting may indicate increased public confidence to make complaints. There are a number of possible explanations for why the number of complaints is as high as it is including an increase in media awareness programs by the Crime and Misconduct Commission; greater community awareness of both the Queensland Police Service's Ethical Standards Command and the CMC through media stories advising that either or both organisations are conducting investigations into a specific matter; training provided to members of the Queensland Police Service; an increase in the number of police officers reporting other members of the service; the impact of special events that require a high-profile police presence; and an increase in the number of complaints received by the CMC. Did you want to add to that, Commissioner?

Commissioner Atkinson: I did. I think that Mr Johnson's question may in fact be internal complaints in terms of members of the service complaining about other members of the service bullying them. Is that so, Sir?

Mr JOHNSON: That is right.

Commissioner Atkinson: The minister's response I think was on the basis of external complaints by members of the public who would complain perhaps about being bullied or harassed by police. Internally, we take that very seriously. We do not think we are any worse than any other organisation. In fact, we think we are better than a lot. We do not keep precise statistics on this. Again, I will take that on notice, but I do not think it would be possible to provide it. One of the reasons for that is we try to deal with it as an educational guidance process.

The experience in many organisations is that the person who has been bullied often does not want to make a formal complaint, be identified and have a formal process. They simply want it fixed, and that is the policy we try and follow. So we endeavour to counsel the person who is the offender in terms of the bullying and provide an educative, remedial process rather than a disciplinary one. We do regard it very much as a process where there should be confidentiality.

Mr JOHNSON: Thank you, Sir. Minister, I refer again to page 2-262 of the SDS and particularly to the rate of personal safety offences and property security offences. Will the minister release details of how many burglaries and armed robberies were reported on pharmacies this year?

Ms SPENCE: There was a bit of a discussion about whether we keep the numbers on pharmacies. I thought I had seen some statistics on pharmacies.

Commissioner Atkinson: Can I comment?

Ms SPENCE: Yes.

Commissioner Atkinson: I do not think we do. If we did, it would be anecdotal in terms of a particular week where there might, for example, have been three or four ram raids to steal pseudoephedrine from chemist shops, but I do not think we keep specific figures either for burglaries or for robberies in terms of the nature of the premises. That would probably be a bit difficult. Last year there were 49,000 break and enters in Queensland, which is down from seven years ago when I think it was 77,000. The breakdown is houses, dwelling houses, shops and other types of buildings.

Ms SPENCE: I have seen statistics and I think they have been put out by the Pharmacy Guild. It obviously keeps statistics from its members, particularly since we have introduced Project Stop. I do not think I could provide them, but the Pharmacy Guild will certainly be able to answer your question.

Mr JOHNSON: Thanks, Minister.

CHAIR: The time allocated for non-government questions has expired. Minister, on page 254 of book 2 of the SDS, reference is made to the groundbreaking approach that is being taken by police to tackle problems. How is the Railway Squad taking a fresh approach to crime?

Ms SPENCE: The Railway Squad was involved between July 2007 and June 2008 in 50 regional police rail operations and 76 internal actions targeting criminal offences and good order offences on the Citytrain network. During this period the squad conducted more than 25,000 hours of network patrols in which 7½ thousand people were intercepted and 898 people were arrested on 1,508 charges. I am really happy to talk about this, because these activities seem to never get highlighted out there in the general community, but the Railway Squad is out there every day making our trains safer. Specifically, from July 2007 to December 2007 the level of unlawful use of motor vehicle offences decreased by 29.37 per cent when compared to the same period last year and vehicle offences decreased by 39 per cent during the same time compared with the year before.

Specific examples of the Railway Squad contributing to crime detection and prevention include participation in the whole-of-government graffiti management committee led by Queensland Transport. Project Car Smart recently commenced in the Ipswich district, where Railway Squad officers attended railway station car parks and distributed vehicle security notices and crime prevention material. During the implementation of Project Car Smart, the Railway Squad has solved three unlawful use of motor vehicles and 13 unlawful entry to a motor vehicle offences through proactive operations and effective use of CCTV.

The Railway Squad is also very active in Student Safe Rail programs which are targeted at primary and secondary school students who use the city network. They go to schools, they educate at schools and they patrol suburban stations when students are out there to get out this safe rail message. They are also investigating many offences. During a 10-day period last year, two offenders broke into and stole sums of money from six TransLink vending machines. The Railway Squad coordinated the police operation and the offenders were apprehended. These two offenders were charged in relation to \$480,000 in theft and damages.

As well, during May and June this year the Railway Squad got five offenders on almost 100 graffiti offences for QR property. So the squad is out there every day making sure that people who use our rail network are safer and it is catching those who would commit graffiti offences or other crimes on the network.

CHAIR: On page 2-256 of SDS there is reference to upgrades to the paedophile Task Force Argos computer systems and educational material. How effective is this task force in protecting our children from internet predators and how successful have the 'Surf safely' and 'Who's chatting to your kids?' projects been?

Ms SPENCE: I think everyone is aware of the activities of Task Force Argos. A significant part of their activities is liaising with their national and international law enforcement partners. They work globally every day. I think that was recently highlighted by their infiltration and dismantling of a highly secretive, sophisticated and organised network of international child sex offenders.

Operation Achilles, which we announced early this year, arrested offenders in Australia, the United States, Germany and the UK. They believe that more than 40 children were saved from sexually abusive situations as a result of that operation. More than 120 people have been arrested for purchasing child exploitation material, including 9 people in Queensland. Operation Echo Quiet is another Task Force Argos initiative protecting the community in Queensland. Investigators patrol the internet based peer to peer network, P2P, identifying and charging child sex offenders who choose to distribute child exploitation images. To date multiple targets have been identified and disseminated throughout Australia and internationally, including 23 Queensland offenders on 93 charges.

That is just part of the work of Task Force Argos members. Another part of their work is educating the community. The 'Who's chatting to your kids?' brochure is now in its third edition. It provides comprehensive advice to parents on the threats of social networking. To date over 30,000 brochures

have been disseminated across Queensland with the electronic version of the brochure on the Queensland Police Service web site. It has been accessed over 8,000 times this year. They are also developing an interactive DVD presentation for parents. As well they have the 'Surf safely' campaign which is an education package aimed at parents and teachers to educate children on how to use the internet very wisely. This web site has been visited over 10,000 times. They have delivered the 'Surf safely' message to some 25,000 students, 600 scouts, 120 scout leaders, 68 teachers and 570 parents.

What we have learnt from the situation concerning the man to whom the opposition spokesperson referred to before down at Logan City is that we as a society need to do more to educate parents about how to undertake child protective behaviours every day of the week.

CHAIR: Thank you, Minister. You can pass on my congratulations to those task force members. I call the member for Yeerongpilly.

Mr FINN: Graffiti is a large source of community frustration. A week would not go by when my office does not take calls from members of the community complaining about graffiti of some sort. Page 2-262 of the SDS refers to property damage. I am wondering whether you can outline what measures and proactive strategies the police are undertaking to reduce this eyesore?

Ms SPENCE: I thank the member for the question. It is one of the issues that I think the police would agree is of concern to communities in all parts of the state. I know it is particularly of concern to our Lord Mayor in Brisbane. Over the last couple of weeks the commissioner and I have had two meetings with the Lord Mayor about this very issue and how our police officers can work more closely with council officers. He apparently funds six graffiti gangs that go out very day to clean up graffiti in the city. You will see an announcement on how we are going to form that partnership in the next month or so. Not only are police going to be involved in that but the corrections department as well. They are offering people on parole and probation to do the clean-up work.

Graffiti is a concern to all of us, but there is some good news. After the introduction of the paint sale ban legislation, which we passed in parliament, from July to December 2007 there were 5,546 reported graffiti offences and a clear-up rate of 44 per cent. This is a reduction from the period before where there were 9,202 reported graffiti offences and a clear-up rate of only 35 per cent. What we have seen since the introduction of the paint sale ban is a reduction in the number of reported graffiti offences statewide and an improvement in the clear-up rate for those offences.

Every day we have police throughout the state—not just the Railway Squad that I talked about before which is obviously very important—such as on the Gold Coast and in Logan City undertaking different strategies to clear up graffiti offences in their local communities. The police are getting some very good charges for this. These things never seem to attract much attention from the media or the general population but it is important for people to appreciate that the police are actually out there catching those who graffiti and getting successful prosecutions in our courts.

Commissioner Atkinson: I agree totally with the question. It is interesting as one travels around the state to find that it is not terrorism and armed robberies that people are concerned about; it is quality of life issues, and graffiti is high on that list. As the minister indicated, it is ongoing in terms of the whole package. Our approach will embrace not just trying to catch people but ways to improve prevention as well.

Mr FINN: Page 2-257 of the SDS refers to the trial of unmarked Q-cars patrolling our roads during the Christmas-New Year period. Can you provide details of this trial, outline the future of this type of approach to catching dangerous drivers and provide details of other high-visibility traffic enforcement measures across the state?

Ms SPENCE: I can. The Q-car people have given us some very interesting statistics today. From 30 December 2007 to 31 March 2008 the Q-cars were deployed—there are only two of them—and travelled 33,813 kilometres. On average they detected 12 offences per deployment—that is, every eight-hour shift. The 16- to 24-year-old age group recorded the most offences. During 120 deployments the Q-cars detected 1,479 offences and the offences detected included 718 for speed, 183 for mobile phone use, 72 for not wearing seatbelts, 26 for undue noise and smoke, 11 impoundments, 26 drink driving offences, 39 disqualified or unlicensed driving offences and 11 unaccompanied learner drivers.

The Q-car people have obviously been out there working very hard. They believe it is a very successful operation. I understand the Police Service is considering whether they want to continue purchasing these unmarked cars. Maybe the commissioner would like to add to that.

Commissioner Atkinson: Indeed. We think the trial has been outstandingly successful. We think that generally speaking accidents and the people involved fall into two categories. There is the average motorist who by inexperience, inattention, fatigue or momentary impatience is involved in an accident. But there is a second group of people who are disproportionately responsible for an enormous amount of traffic angst and accidents. They are those who are completely at odds with the legislation, the laws and the rules and are constant, serious, repeat offenders. They are the sort of people the Q-cars are targeting. It has been very effective.

As the minister indicated, we are looking at ways to roll them out and increase the current number of two to 10. Our goal in that regard would be to have one in each of the eight regions and another two based at the State Traffic Support Branch and rotate them regularly throughout the state. If, for example, one vehicle was a red Subaru and it was in Rockhampton, it would only be there for a month and might then be relocated to the Gold Coast. If we are able to achieve what we are setting out to do, there would be a constant rotation. The average motorist should have no fear of Q-cars. The intent is that they are after the serious recidivist traffic offenders who present an unfair risk to all of us, not just themselves, through their constant flouting of the law and their high-speed, irresponsible driving.

Mr WELLS: Continuing with the traffic theme that the member for Yeerongpilly started, the Service Delivery Statements note and I note that since 1 December last year police have been doing roadside drug tests. How many drug drivers have you caught as a result of this process? Generally speaking, what methods are used and how is it going?

Ms SPENCE: Since we introduced the roadside drug-driving test I have received quite a number of letters from people concerned that their prescription medication might be picked up by this testing. That is a legitimate concern. There was obviously a fair deal of community angst because this had not been done before. I have asked the Queensland Police Service and Queensland Transport to put on their web sites a complete explanation of how the test is conducted and what we are testing for and assure people that any prescription drugs that they are on simply will not be picked up by this test.

In terms of the numbers, obviously we have only been doing it for six months. The police have found that one in 62 drivers tested are producing positive results. Some 94 positive samples have been sent to the John Tonge Centre for confirmation. All of those samples have been confirmed as positive.

There are 63 matters currently before the courts and a further 17 offenders have already been found guilty of drug driving. Offenders are facing tough penalties. In January this year a Brisbane magistrate fined a male driver \$300, disqualified him from driving for two months and placed him on six months' probation after he pleaded guilty. Another male driver who pleaded guilty in the Southport Magistrates Court in March was given a \$1,000 fine and disqualified from driving for six months. When determining these penalties the courts take into account the offender's history and other circumstances surrounding their individual cases. We are hoping that these penalties signal to drivers that if they are going to drive under the influence of drugs then there is a great likelihood in this state that they will be caught and hopefully dealt with very severely by the courts.

Mr WELLS: I was so interested in your answer to the question about air wing capabilities I thought I would ask about naval capabilities. The Service Delivery Statements refer to strengthening of the Queensland Water Police's capabilities. How much has the government invested in the Water Police in recent years including this year? Could you please explain the benefits that this will have for major ports and other water facilities?

Ms SPENCE: I thank you for asking that question because I think the Water Police are a critical part of policing in this state. There are 11 full-time Water Police stations in Queensland. In addition, we have 13 general duty stations which have small vessels. We have a fleet of 70 vessels. They are controlled by the state Water Police coordinator.

This year the budget provides a further \$1.4 million towards new Water Police catamarans currently under construction which will be based at Cairns, Yeppoon and Brisbane. If you know anything about the Water Police you would know how important their boats are. There is great rivalry out there about who has the best boats and how many they have. I know that they will welcome that injection this year for the catamarans.

The service continues to increase its counter-terrorism capability in the marine environment with a 9.5 metre tactical response and patrol vessel allocated to the Brisbane Water Police. It is capable of being deployed throughout the state. This vehicle is due for delivery in September 2008. A new 9.5 metre rigid hull inflatable boat is also to be delivered to Redland Bay Water Police in September 2008. There will be a new Noosa 2700 series catamaran for the Gold Coast Water Police due in August 2008.

Police catamaran vessels at Hervey Bay and Brisbane have been repowered with advanced four-stroke diesel technology. The new engines meet the stringent American EPA tier 2 exhaust specifications for all present and future emission requirements and provide better fuel efficiency for electronic monitoring and control. I was up in Hervey Bay recently talking to our Water Police. These vessels with their diesel engines are so much more fuel efficient and mean that the Water Police can keep their boats out in the water for much longer, and that is what the Water Police want to do. The money we are spending refurbishing and repowering these boats is well spent because they are very important to the fleet.

As well, new and refitted vessels have been delivered to Weipa, Gladstone and Palm Island. These vessels will increase the operating capabilities of police for their search and rescue and vessel interception operations. During 2008-09 police will undertake 18 projects to enhance the Water Police vessels. These projects will be ongoing throughout the year.

CHAIR: The time allocated for government questions has expired. The hearing will suspend for short break.

Proceedings suspended from 5.30 pm to 5.46 pm

CHAIR: The committee will now continue its examination of the proposed expenditure for organisational units within the portfolios of the Minister for Police, Corrective Services and Sport. We will now turn to the areas of Corrective Services followed by Sport. I will just allow the media a moment to take some footage.

Ms SPENCE: While they are doing that, I might introduce the people at the table with me: Director-General of Queensland Corrective Services, Mr Frank Rockett; the Deputy Director-General, Mr Neil Whittaker; and the Assistant Director-General of Custodial Operations, Mr Jim Mullen.

CHAIR: Thank you.

Mr JOHNSON: My first question refers to the SDS at page 2-277, and I specifically refer to the section relating to the management of sex offenders. Minister, will you release details of how many offenders are expected to be released into the community under an order pursuant to the Dangerous Prisoners (Sexual Offenders) Act within the next year?

Ms SPENCE: I can tell you that at the moment we have 38 dangerous prisoners under that act whom we are supervising in the community and a number of them we have returned to prison—that is, another 15 have been returned to prison. So that is 36 plus 15 we are supervising at this point in time. I would not want to be specific about the number that we are going to be supervising in the next year, but we have kind of generally said that we expect to be supervising possibly 100 by 2010. So we are gearing up for that kind of figure, but obviously there is no precise science to this because the kind of people that we consider under this act go to a committee and the committee is made up of representatives of Attorney-General's, Corrections and Premier's, and that committee determines whether someone is of concern enough for us to take that person to the court and ask for an extended prison sentence. So a lot of this is up to that committee and the decisions it makes but ultimately up to the courts as to whether they are going to allow us to keep people in prison beyond their prison sentence. Of a general nature, we have always talked about the possibility of 100 by 2010.

Mr JOHNSON: Thank you, Minister. I refer the minister to the SDS at page 2-282, on which it states that the completion rate of probation orders is 64 per cent and the completion rate for parole orders is 72 per cent. Minister, will you release details of how those rates compare to other Australian states?

Ms SPENCE: I think the ROGS does that. The report on government services that comes down in January every year certainly makes those comparisons. I will just see whether we have that in front of us here.

Mr JOHNSON: Do you want to take it on notice, Minister?

Ms SPENCE: I will take it on notice. I know it is in the ROGS stuff. We will pull it out. What I can say is that I am pretty confident that we are doing better than other states. We are certainly doing better in just about every recidivism category that is in the ROGS data compared to every other state.

Mr JOHNSON: New South Wales says it is doing 82.8 per cent.

Ms SPENCE: Okay. I will have to have a look at that.

Mr JOHNSON: So you will take that on notice?

Ms SPENCE: Yes, sure.

Mr JOHNSON: Thank you. Minister, I refer to the SDS at page 2-282 and specifically the completion rates for orders. Minister, will you release details of how many offenders returned to prison within 24 months of completing their probation or parole?

Ms SPENCE: The *Report on government services 2008* shows that, when compared to other jurisdictions, Queensland has the lowest rates of recidivism in all four reported measures. Queensland achieved the lowest percentage of ex-prisoners returning to prison within two years—which is what you are asking—at 28.7 per cent and the lowest percentage of ex-prisoners returning to either prison or community corrections at 36.4 per cent. Queensland also achieved the lowest percentage of ex-community corrections offenders returning to community corrections within two years at 10.5 per cent and the lowest percentage of ex-community corrections offenders returning to prison or community corrections at 17.8 per cent.

Recidivism is a very complex issue requiring a whole-of-government approach, and obviously Corrections plays a great role in the rehabilitation of offenders. I am glad that you asked this question, because we in Queensland can be proud of the fact that we are running the cheapest prisons in Australia—and we make no apology for that—and we are providing our offenders with educational and training opportunities and rehabilitation opportunities to ensure they do not reoffend when they go back into the community.

In the last two years in particular we have put a lot of emphasis on the transition program, and I have actually been into prisons and sat down with prisoners who are going through this program. We get people from Centrelink, employment agencies and the Department of Housing to come and sit down with the prisoners before they leave prison to talk about all of their requirements and where they are

going to go when they leave prison. We think that particular program has really helped reduce our recidivism rates. We have the lowest rates in Australia, we are doing it cheaper than any other state and we are getting the best results.

Mr JOHNSON: I refer the minister to the SDS at page 2-277 and specifically the section relating to management of sex offenders. Minister, will you release details of how many reportable sex offenders under the Child Protection (Offender Reporting) Act 2004 and other interstate acts are currently in Queensland?

Ms SPENCE: As I said, at this point in time we have about 59 people that we are supervising under the Dangerous Prisoners (Sexual Offenders) Act. We have just in excess of 2,700 people on the ANCOR register. In terms of the other one—the one that we just passed in parliament—we do not have anyone under that legislation yet.

Mr JOHNSON: How many full-time sworn officers are located in the offender registry to supervise and manage the offenders it contains? What budget were they allocated in 2007-08 and what will it be for 2008-09?

Ms SPENCE: I do not think the question is quite right, because you are talking about the offender reporting register, which is a police one. But I am happy to talk about the DPSO people because they are the ones that Corrections supervise. I am going to tell you how many people work in that area and how much that is costing.

Mr JOHNSON: That is what I am on about, yes.

Ms SPENCE: To supervise these 53 DPSO people, we have a budget this year of \$4.2 million. This includes the money for managing the electronic monitoring. Our unit consists of 20 full-time positions. These people are responsible for identifying and referring sexual offenders who pose an unacceptable risk to the community's safety and for supporting the court processes associated with making an application for an order. The operational management team within the unit is also responsible for the management of offenders released to supervision in the greater Brisbane area. The team consists of specialist case managers who are experienced and trained in the management of high-risk sex offenders. In addition to its direct operational focus, the unit collates data and research to continuously improve Corrective Services' evidence base and capacity to manage sex offenders. The unit also provides support to the regions. So to manage these 53 DPSOs costs \$4.2 million and 20 people, full time.

Mr JOHNSON: Thank you, Minister. I refer the minister to the appropriation of funds for the purpose of facility based containment services found at page 2-279 of the SDS. Minister, will you release details of the cost to taxpayers of medical expenses for the late Valmae Faye Beck who is a coaccused with Barrie Watts in the murder of the little girl Sian Kingi?

Ms SPENCE: It is not a figure that we would collate. We would not put together a figure to collate the medical expenses of any individual prisoners, Mr Johnson. It is just not something Corrective Services would ever collect. Obviously she received some medical intervention during her long period of incarceration in Queensland's jails. She got regular medical attention—

Mr JOHNSON: She received surgery at the end, though, didn't she?

Ms SPENCE:—and then she would have got medical attention by Queensland Health. It is just not a figure I could supply, and you would not really want, when you think about it, Corrections spending their days putting together figures like that on individual prisoners.

Mr JOHNSON: Thank you, Minister. I refer the minister to the SDS at page 2-276 and specifically the transition of Corrective Services health and medical services to Queensland Health. Minister, will you release how many drug tests have been conducted on prisoners in the past year?

Ms SPENCE: During the period of 1 July 2007 to 30 May 2008 there were 7,158 targeted urine analysis tests conducted within secure and open custodial facilities, which resulted in 662 positive results.

Mr JOHNSON: Six hundred and fifty-two?

Ms SPENCE: Six hundred and sixty-two. To 30 May 2008, 2,878 random tests have been conducted, with a 4.3 per cent positive testing. Random testing uses a computer generated listing of offenders for testing. Random testing provides a comparative analysis at a facility level and a statewide level of drug usage.

The drugs strategy is supported by tactical and operational activities conducted by the Queensland Corrective Services' Intelligence and Investigations Branch, which targets specifically the introduction and use of drugs in our prisons. Mr Mullen might like to add to that.

Mr Mullen: As the figures indicate, we have a very robust and rigorous approach to managing drugs within our correctional facilities. We have tested record numbers of prisoners in the last 12 months and continue to do so. We also have specific operations in consultation with our partners in the

Queensland Police Service in which we also conduct operations within the centre and will target suppliers on the outside. So on a Saturday or a Sunday we will target visitors and they may be subject to searches as well.

Recently, we also introduced searching every single staff member. Whether that be the minister or me who is visiting a facility, they are searched. On random occasions our staff are subject to further searches. It is an indication of how serious the organisation takes the issues of drugs.

Once a prisoner has been found to have returned a positive test, there is a range of sanctions that can be imposed on the prisoner. They can impact on his classification, they can impact on placement and they can impact on privileges that he or she may have, that is, telephones, access to visits et cetera.

Mr JOHNSON: Minister, I refer you again back to that issue. When you say 7,150 urine analysis tests were conducted and 662 were positive, that is around 11 or 12 per cent.

Ms SPENCE: They were the targeted ones.

Mr JOHNSON: I would have thought that it is a pretty high rate.

Ms SPENCE: It is a very fair question. It is actually 9.2 per cent but it is still a very fair question. That is targeted as opposed to the random ones. We are actually getting a lower percentage on the random tests than the targeted test.

Mr JOHNSON: You are getting 4.3 per cent on the random.

Ms SPENCE: Mr Rockett will make a comment. It is a very fair question.

Mr Rockett: There are two types of testing. One is random and on the random testing, which we get about 10 per cent of all prisoners across the state and we do that quarterly, we are returning about a 4.3 per cent on average across the state. Even though it is random, there is an identifier code that pops up and says it is prisoner X who actually has a positive on a random test. We have a range of targeted testing across the state. In the last year we did 7,158 targeted tests and those tests were focused on people who we had intelligence on that they may be using drugs or actually popped up on a random test. That is why that is higher than the random. So it is certainly not 10 per cent of the prison population; it is simply the 10 per cent of those who were targeted, which would be a much smaller number.

Mr JOHNSON: It is still a high percentage, though.

Ms SPENCE: Yes, but you are targeting people who you know are drug users, who have been put into prison for drug offences. Those figures are for the secure and the open facilities—the ones I quoted. It is very hard to keep drugs out of the farms and the open facilities; it is much easier to keep them out of the prisons. Mr Mullen talked about the lengths we go to in secure custody. But we are getting tougher all the time, I can give you that message. That four per cent for the random is quite a low percentage. Seven years ago it was 20 per cent. What I can say confidently is that, because of our tough approach, we have reduced the number of drugs in our secure facilities.

I will say to you it is very hard to keep drugs out of low-security facilities like prison farms. If you have ever visited a prison farm, which I know you have up there in Toowoomba, it is very hard to keep drugs out of those facilities. That is why a lot of these facilities are not full today, because we have stopped sending known drug users to those facilities. We have stopped sending sex offenders there and we have stopped sending drug users to those facilities, because we know how tough it is to keep the drugs out.

Mr JOHNSON: Minister, thanks for your efforts in allowing me to visit Capricornia and also Stuart in company with Mr Mullen on both occasions. I have to say it surprises me to think that those institutions would have such a high rate.

Ms SPENCE: Which ones?

Mr JOHNSON: Capricornia and Stuart.

Ms SPENCE: Yes, but they are the maximum security. They are the jails. The high rate is not necessarily in the jails. We believe that we are doing a very good job in the jails of keeping the drugs out. The high rate—and we know this—is more likely to be on a prison farm where those prisoners can just reach over the fence and pick up something that someone has dropped.

Mr JOHNSON: Fair comment. You are currently in the planning stages of building a 300-bed women's prison at Gatton. I have just visited, in company with Mr Mullen, the new women's facility at Townsville, which is no doubt state of the art—and what a wonderful facility that is going to be. Why all of a sudden do we have to have another 300-bed prison for women when you have a brand-new facility that has just been completed at Townsville where there are currently only about 80 inmates?

Ms SPENCE: There are a number of reasons. Sadly, of course, the increase in prisoner numbers is particularly concerning in the women's numbers. It is estimated that in 2007-08 there was an average daily number of 335 female prisoners in high security. It is estimated that this figure will increase by nine per cent to 370 in this year alone.

Although we are bringing the new 150 beds on line for women in Townsville, you have to appreciate that the new women's prison that we are planning to build in Gatton is not going to come on line until 2011. So although the need is not there now and Townsville will pick up the slack for the next couple of years, we do not want to see overcrowding in our women's prisons when it comes to 2011.

I know you as the opposition like to criticise the government on the lack of planning and infrastructure on a general basis. You cannot criticise us on our lack of planning for prisons. We are building Queensland's prisons of the future today.

Mr JOHNSON: I am not criticising; I am asking you—

Ms SPENCE: Not you personally, I am just saying of a general nature.

Mr JOHNSON: I am asking a legitimate question in relation to this matter.

Ms SPENCE: I know. I am saying you as the opposition generally, not you as the shadow minister. I am saying that in this area of endeavour you cannot criticise us because we are planning for the future.

CHAIR: Thank you, Minister. The time allocated for non-government members has expired. To help your advisers organise their support, government members are going to be asking firstly corrections questions followed by sport and recreation questions. We can have a break in between to help your advisers move around.

Ms SPENCE: All right.

CHAIR: Minister, just following on from the line of questioning by the member for Gregory, can you explain how Queensland Corrective Services is responding around the state to the increasing number of prisoners?

Ms SPENCE: I just thought I would show you this very nice graph that we look at on a regular basis which does show you the increase in prisoner numbers from 1996 to 2008. What we have seen in this period is almost 100 per cent growth in prisoner numbers. You saw a little bit of a dip in 2006. That was our peak and it has fallen down. The reason it fell down is that Queensland parliament made changes to the Queensland Corrective Services Act that gave us court-ordered parole. With court-ordered parole, we saw a reduction in prisoner numbers, which is what we always expected would be achieved, and that was a positive. But unfortunately it has not quite got to the 2006 numbers and we are going to see the increase again, but probably not as severely as we saw it in the 1990s. So we believe we have achieved some success in arresting that extraordinary growth in prisoner numbers.

Having said that, one of the other reasons court-ordered parole has worked is that we have put more money into the parole and probation service. The magistrates and the judges now have more confidence that if they sentence someone to parole, that they are going to be very closely supervised. The other thing we have done is, for the first time in Queensland, put corrections, parole and probation officers on to Aboriginal communities, where there were none. So the magistrates there are happier to give people community based orders knowing that they are going to be properly supervised. So all of that has pushed down the numbers.

Having said that, they are going to increase. That is why we are planning Queensland's prisons for the future today. That is why we are building a new women's prison in Townsville, expanding the Townsville men's prison and building another 180 cells at Arthur Gorrie. There is money in this year's budget for the expansion of Lotus Glen and, of course, the new women's prison at Gatton. It is an extraordinary endeavour. I think that while we are going to need these prisons in the future we do not want to take our eye off the other part of the equation and that is the parole and probation service and do whatever we can to divert people from prison if the community has confidence that those diversionary measures are a suitable punishment and a suitable rehabilitation of offenders.

CHAIR: Thank you.

Mr WENDT: There has been a lot of comment in the media as well as in the community in recent times in relation to a public register for sex offenders. What is your comment on that? Do you think this is a good strategy?

Ms SPENCE: Thank you for the question. I think it is understandable that the public questions how we manage sex offenders in the community and questions whether a public register might be more beneficial in this management. The community debate is something that we welcome. As far as the government is concerned, we have done a lot of research into how public offender registers have worked in overseas countries. What we have found out is that in the US, where they do have public offender registers, about 30 per cent of the offenders do not register at all with the police. What we do know of what we have in Australia is that every sex offender does register on the ANCOR register. So the police know where they are living, they know what car they are driving, they know generally where their employment is and they keep an eye on them.

Our police routinely undertake operations throughout the state to knock on the doors of these ANCOR offenders and if Malcolm X is not living at this address, then the police will go out and pick him up and take him back to court. So people who do not do the right thing and continue to give the correct information to police will get picked up. In America, 30 per cent of them go underground and no-one knows where they are.

As well, we have seen cases of vigilantism where offenders' families have been attacked and where innocent members of the general public have been attacked. I think you had a very good example of that case last week where people were swearing to me that they saw Mr Ferguson at the local butcher shop or the local newsagency—they were absolutely positive—when, in fact, he had not been out of house. So I think that is the kind of problems you can encounter when you have this public notification.

We believe that we are doing a very good job of managing, in the corrections department at least, the 53 people we have under that act at the moment. I do not think necessarily giving the locations of those individuals is going to be beneficial for their rehabilitation in the community or our capacity to manage them very closely in the community.

Mr WELLS: What has been the impact of court ordered parole on the number of offenders serving short sentences?

Ms SPENCE: Court ordered parole means that if a prisoner is sentenced to three years or less imprisonment and is not a sex offender or a violent offender the court must fix a parole date. From 31 August 2006, there were 2,105 non-sex offenders in prisons serving sentences up to three years. The number had reduced to 1,981 by 31 May 2008. That was a reduction of six per cent, so the impact of court ordered parole has been greatest for lower risk offenders with shorter sentence lengths. On 31 August 2006, there were 1,379 non-sex offenders in prison serving prison sentences up to one year. This number had reduced to 918 by 31 May 2008. That is a reduction of 33 per cent. This initiative has effectively diverted low-risk offenders from very expensive prison custody. It has ensured that those offenders are supervised for their whole sentence and, in addition, has provided them with rehabilitation opportunities in their own communities.

It should be noted that there has been a significant uptake in the use of court ordered parole since its introduction. By April 2008, 6,843 offenders had commenced a court ordered parole order. These were people who in the past may have left prison without any supervision at all, but they are now supervised by our parole officers in the community. As the shadow minister might have been saying, 69 per cent of those court ordered paroles were successfully completed. That is a pretty good result in comparison to any other parole orders and certainly interstate comparisons.

If people do not complete their orders successfully, we have them back in court for another sentence. We are tougher on our parolees than any other state in Australia, I believe. If people do not do the right thing by reporting, if they do not successfully pass the random drug and alcohol tests and whatever other tests, they are back before the courts and potentially back in prison. Even though we are tough on parolees, we are still getting some very good results.

CHAIR: Minister, I thank your departmental staff from Corrective Services. Minister, would you like to introduce your advisers for the department of sport and recreation?

Ms SPENCE: At the table with me is Director-General Michael Kinnane, Acting Deputy Director-General Craig Matheson and parliamentary secretary Chris Bombolas.

CHAIR: Page 2-290 of the sport and recreation Service Delivery Statements refers to combating obesity as a strategic issue for the department. The minister would be well aware that that is a particular interest of mine. Could the minister outline some of the key initiatives progressed by her department to combat rising levels of overweight and obese?

Ms SPENCE: The department of sport and recreation plays a lead role across government in proactively addressing increasing overweight and obesity rates through a number of programs. The department has committed more than \$23 million to these programs and strategies. In March this year, I launched the second phase of the \$8 million social marketing campaign to encourage Queenslanders to be more active. The Find Your 30 campaign encourages individuals to incorporate 30 minutes of physical activity into their day. I am sure that you have all seen some of the ways that we have communicated this information—via advertising on TV, the Channel 10 news chopper—

CHAIR: Yes, I have noticed that.

Ms SPENCE: Very good. We also have an internet site, the Your 30 Club. Preliminary research shows that 1,500 people have already joined the Your 30 Club on the internet. We conducted research in June that showed that the first round of the Find Your 30 campaign shows the recall rate is approximately 67 per cent, so the message is getting out to Queensland. Some people told me it is like 'finding your Pat Rafter'. Obviously Pat Rafter and his name have been very successful in this campaign.

Other initiatives progressed by my department in this area include \$6 million over three years as part of a total government commitment for the Eat Well Be Active community partnerships program. We are giving money to community projects to promote healthy eating and physical activity. A sum of \$2 million per annum has been allocated to support the Young Athlete Assistance Program to help children and young people at state, national and international championships. There is a new framework to increase the community use of state school sport and recreational facilities.

Recent data shows that the rate of increase in the prevalence of overweight and obesity amongst children appears to have slowed in Queensland since the last National Nutrition Survey in 1995. I am sure the tuckshop policy has helped that out. However, more has to be done for older Queenslanders who continue to be overweight and obese. In fact, over two-thirds of all men and half of all women report as obese or overweight. The activities of the Queensland government in getting these healthy messages out to Queenslanders are certainly one of the core strategies of the department of sport and recreation.

Mr FINN: Minister, I note your mention of Pat Rafter in the previous answer. A little while ago I was out at the development site of the new State Tennis Centre with Pat Rafter. It is a little while since you and I walked around in the mud out there as well. I am pretty proud of the Tennis Centre that is being developed in my electorate. It will host a Brisbane International tennis championship in January next year. Can you report on how the Tennis Centre is progressing and assure me that it will be completed in time to host this event?

Ms SPENCE: You are very lucky to have this Tennis Centre in your electorate. I am sure everyone is very jealous of you. We expect that the centre will be completed in early December and the staging of the Brisbane International in January 2009 will herald the start of an exciting new era for tennis in Queensland. The State Tennis Centre is being constructed by Mirvac as part of the Tennyson Riverside Development on behalf of the Queensland government and Tennis Queensland. Complementing the State Tennis Centre is the associated development of approximately 390 high-quality residential apartments in six buildings, and landscaped riverfront parkland, bikeways and pathways. Careful consideration has gone into the planning and design of this whole complex. I am sure that we are all going to enjoy the 5,500-seat capacity centre court and the 22 match and training courts around the centre. Featuring all three grand slam tennis court surfaces—17 acrylic hard courts, four clay courts and two grass courts—this facility will be great for any kind of international tennis tournament.

Assisting in the development of our young future champions, the State Tennis Centre will be the home of Tennis Queensland, the Queensland Academy of Sport's tennis program and one of Tennis Australia's national high-performance academies. All of the parties involved in this project have been working very hard to deliver the Tennis Centre. The tournament in January next year will include Pat Rafter, who, I am told, has been named the official ambassador in the first Brisbane International. The next stages will involve laying the hard court surfaces and further civil works. As I said, in the lead-up to the Australian Open next year, Tennis Queensland is very confident that it will attract many of the best international players for our particular tournament.

Mr WELLS: I refer to page 2-291 of the SDS and the facilities that the department is funding at North Lakes State College. I also refer to the government policy of sharing facilities wherever possible. What is the department doing to improve community access to schools' sport and recreation facilities at this excellent and well-appointed complex at North Lakes State College?

Ms SPENCE: I have been working closely with my colleague the Minister for Education on how we can better use our state school facilities for sports on the weekends. I am sure that as a former education minister you would know that the use of our schools is pretty patchy. I think some schools do it really well and some schools close their schools and their sporting facilities off to the community on weekends. Really, it depends on school principals as to how well or how little this happens throughout the state. Since the Obesity Summit, the department of education and the department of sport and recreation have been working very closely on formalising a memorandum of understanding. We now have a joint steering committee to monitor the community use of the projects. A number of significant initiatives have been implemented as a result of this agreement and we expect more to come in the future.

In fact, \$2.1 million was allocated in March 2007 to five projects approved to be constructed on school grounds at Tully State High School, North Lakes State College, Regents Park State School, St George State High School and Woodford State School. These multifacility projects are intended to be used by the whole community as well as the school community. It is really important in this memorandum of understanding, which we have not concluded yet, that we get much greater cooperation from the schools in allowing the general community to use the very valuable sporting facilities that we provide in our state schools.

On a personal level, I know that it works very well. One of the schools in my electorate is Runcorn State High School. We gave a couple of million dollars to that school about eight years ago. The basketball facility that was built there is managed by a partnership of the local community, the local

basketball group and the school. Not one group sees itself as owning the basketball facility; the whole community owns it. That is the kind of model that I think we should be developing for all of our state schools.

Mr WELLS: So the Obesity Summit might prove to be a plateau?

Ms SPENCE: Let us hope so.

Mr WENDT: Minister, page 2-292 of the SDS talks about the opening of Skilled Park at Robina. Recently I was there with my son for a game against St George, so I know what this is all about. Could you outline how this new venue has performed and whether there has been any interest shown by organisations other than the Titans in hiring this venue?

Ms SPENCE: The facility at Skilled Park is performing very well. There have been a number of newspaper commentaries this year about how Rugby League sees the stadiums in Queensland—Skilled Park, Suncorp and Dairy Farmers—as the most profitable stadiums in Australia. That is because we built stadiums that are the right size and have been very well received by the local communities.

Mr JOHNSON: The Dogs like them.

Ms SPENCE: I will not go into results, Mr Johnson. Everyone said on the Gold Coast that Gold Coast people do not know how to use public transport and they wanted to drive their cars. We had the local member for Robina and the Gold Coast City Council criticising us for not providing enough car parks at Skilled Park, but that decision not to was absolutely correct. Between 80 and 90 per cent of patrons who attend events at Skilled Park—the stadium is pretty full for most matches—use public transport. The clear-out times after a match are well within 60 minutes. So every one of the patrons has exited that stadium within 60 minutes. That is comparable with the clearance rates achieved at Suncorp. It is up to 30 minutes faster than the time it took people to exit from Carrara stadium when the Titans played there. Choosing the public transport option was absolutely the right one.

In addition to being hired by the Gold Coast Titans as their home ground, Skilled Park will be used as a venue for two Rugby League World Cup fixtures in November 2008, including a qualifying final. Additionally, representatives from the Gold Coast United Football Club are seeking entry into the Football Federation of Australia's A-league competition and have indicated their intention to play at Skilled Park if admitted into the A-league. Without access to such a high-quality facility as Skilled Park it would be very difficult for a Gold Coast based team to be a serious contender for inclusion in the A-league. Mr John O'Neill, Chief Executive of Australian Rugby Union, has also toured Skilled Park to assess its suitability as a Rugby Union venue. So I am sure that in the years ahead it is going to be used for the FIFA World Cup bid and lots of other sporting codes.

CHAIR: Thank you, Minister. The time allocated for government questions has expired. The committee has given leave for non-committee members to ask questions today, and we welcome the member for Toowoomba South, Mr Mike Horan MP.

Mr HORAN: Thank you, Madam Chair. My first question to the minister is with reference to page 2-295 of the SDS, which refers to Stadiums Queensland. The department provides an annual grant to Stadiums Queensland, which was budgeted at \$14.5 million for 2008-09. Can you provide this committee with the profit and loss made by the six facilities—Suncorp, Dairy Farmers, Skilled Park, the Gabba, the Brisbane Entertainment Centre, QEII and the Sleeman Sports Complex—for the past financial year? Could you advise whether Stadiums Queensland pays any dividend to the Queensland government and, if so, how much?

Ms SPENCE: The financial performance of Stadiums Queensland is produced every year in its annual report. It does not provide a dividend back to government. We do not put out the figures of the profit and loss of individual stadiums. That information is considered commercial-in-confidence. I have to say that as sports minister and minister responsible for each of the stadiums I think it would be very foolish for us to start putting that information out in the public domain. I have sporting codes come to see me who request particular concessions. They request that the Queensland government give them a cheap deal to play at our stadiums. My message to them all is that every sporting code, everyone who wants to hire our stadiums, is on a level playing field. We do not give one code a better deal than another sporting code.

We believe that we run the most profitable stadiums in Australia and will continue to do so. They will continue to get more popular as Skilled Park fills up with more codes, but we do not make particular concessions for one sporting code and favour one sporting code over another. If we started putting out the kind of information that you are suggesting today, you are really giving us an unfair commercial disadvantage when we have to strike some very hard deals with the hirers of our stadiums.

Mr HORAN: The basis of my question was the \$14.5 million. That must be needed to balance the books.

Ms SPENCE: Yes. Hopefully the Queensland taxpayer will be in a situation in the future, as these stadiums become more profitable, where we do not have to continue giving that kind of money to them.

Mr HORAN: My second question refers to page 88 of the Capital Statement where \$44.5 million is the estimated cost to the government of the Tennyson Riverside Development. Minister, could you give this committee the details of this fairly complex development? In answer to a previous question from the government you detailed what the government or Tennyson sport is getting out of it in terms of the number of courts and so forth. For example, what is Mirvac getting out of it? Who owns the land? Has the land been divided up between government, Stadiums Queensland and Mirvac? For that part of the mixed development that is being paid for with the \$44.5 million of government money, were quotations obtained?

Ms SPENCE: There are a number of elements of your question which we would consider commercial-in-confidence. There are a number of elements of your question that we can answer. I would like to take that on notice. It is quite a complicated question. We will scrutinise the question and give you as much information as we believe we can.

Mr HORAN: Thank you. My next question refers to page 2-295 and the \$11.6 million contribution by the Queensland government to the Gold Coast Indy. Minister, can you tell us who is the final recipient of this \$11.6 million? Is it the Gold Coast Events Co. or is it the Gold Coast Motor Events Co. or is it the International Management Group of America Pty Ltd? Are you able to give a break down of how that \$11.6 million is spent? Is any of it used for prize money or payments to the drivers in the Indy or the supporting events?

Ms SPENCE: The way it is structured is that we would give that money to the Gold Coast Events Co. and then they would distribute that money to the Gold Coast Motor Events Co. That \$11.6 million is all put into the cost of that event. Obviously the set-up of the event is expensive given that we have to construct it and dismantle it every year. Some of that money frankly goes into getting those international teams to Australia. We have not increased that amount over the last few years and we do not intend to. They have been told that the government's contribution is not going to increase. But at the end of the day we believe it is a worthwhile event given that it generates over \$60 million into our economy, over 163,000 visitor nights to the Gold Coast and over 551 full-time jobs, and it is an event that is broadcast to 203 countries around the world.

Mr HORAN: Is there a report on how that \$11.6 million is spent or does it just go into the overall pool? You said that some is spent on tow money—what we used to call tow money in the speedway—to bring the international teams here. What is the accountability of the \$11.6 million? Is some spent on functions or travel?

Ms SPENCE: They do provide a report to their board, obviously, and reports are provided to me. I am not sure what your angle is. Are you opposing the Indy?

Mr HORAN: No. This is about money. I just want to know how the \$11.6 million is spent. What is it spent on?

Ms SPENCE: The majority of that money is used every year for the set up and dismantling of the Indy track and the transportation of overseas teams. There is a great cost in running these events.

Mr HORAN: Minister, the funding for major sports organisations in Queensland for 2007-08 was \$280,000. This year it has been reduced by \$30,000 to \$250,000, with further reductions over the next three years. That is having an effect upon some those major sports that are based on amateur involvement like swimming. Can you give the reasons for the reductions and the amount of the further reductions which will occur over the next three years?

Ms SPENCE: So you are talking about the development program.

Mr HORAN: Yes.

Ms SPENCE: There are two funding categories under the program. The organisational development category aims to provide planning, management and government practices and education and training capacity of a state level organisation to enable improved and increased participation opportunities and pathways for Queensland. The priority initiatives category provides funding for projects which offer alternative ways to increase participation and provide safer, healthier and more enjoyable participation environments.

As a result of the 2006 review of the program, the capped amount for organisational development funding under the program for 2008 to 2010 was reduced from \$275,000 to \$250,000. However, the maximum funding for each priority initiatives project was increased from \$50,000 to \$75,000 per project per year. So applicants were permitted to apply for multiple priority initiatives, although the total amount for each applicant was capped at \$75,000.

Under the current round of the program, the Queensland government is further committed to support growth in the outdoor recreation sector through funding to a total of six outdoor recreation organisations, totalling in excess of \$707,000. Under the program, the department received applications from seven new recreational organisations, three new sporting organisations and one new industry service organisation. Successful new outdoor recreation organisations were: Australian Rafting Federation, Australian Trail Horse Riders Association, Mountain Bike Australia, Queensland Rogaine

Association. Other new successful applicants were: Australian Outrigger Canoe Racing Association, Queensland Dragon Boat Federation, Queensland Rope Skipping Association, Judo Federation, Ice Hockey Queensland, Queensland Amateur Wrestling Association and Womensport Queensland.

So it is not as if the money has been taken from these programs. We have had to find funding for new players, which is understandable as sport changes. Very few of the peak bodies lost much money in this change of the program's funding.

Mr HORAN: Minister, page 2-291 refers to elite athletes selected for the Australian Olympic and Paralympic teams for Beijing. Can you provide the committee with the number of Queensland competitors who have received bonus grants, the bonus grants for being selected that are detailed in the Service Delivery Statements? How much were the grants for? I understand that you may not wish to make it individual but if you could list it by sport. I would like to know how much the grants have totalled for each sport. Could you advise if any athletes have not received a bonus grant at this date?

Ms SPENCE: I am told that as of the beginning of this week we have 122 Queensland athletes. They all get a bonus grant. I would like to introduce you to Mr Bennett King, the Director of the Queensland Academy of Sport. We actually have not finalised the Olympic team yet. Bennett might like to comment on that. The other thing is that I do not think we have announced the amount yet, have we, Bennett?

Mr King: The amount is \$5,400.

Ms SPENCE: I thought the amount was a surprise, the \$5,400.

Mr King: It was the same as the last Olympics. So the \$5,400 is the same. We have 67 Queensland Academy of Sport athletes participating in the Beijing games and a total of 95 Queenslanders.

Ms SPENCE: But it has not been finished.

Mr King: That is finished. The Olympic side is finished.

Mr HORAN: Minister, I just want to go back to your previous answer regarding obesity. You spoke about being the lead agency for obesity in the documents in 2007-08 and again this year in 2008-09. In developing the obesity programs, did you actually have any figures from Queensland Health or the Obesity Summit that you had to work to so that you would know whether or not your programs are making a difference to obesity levels? Sometimes the people who go into these programs are reasonably fit and not obese. What I am getting at is it would be a shame if all this money was spent and you did not know if it made a difference. You would want to know that it was actually making a difference to Queensland Health's records or the national health records in the number of obese Queenslanders and whether these millions of dollars are reducing the numbers of people who are classed as obese, whether they be children or adults.

Ms SPENCE: Craig Matheson is the expert in the department on this and he will answer that question for us.

Mr Matheson: Just in the context of the work that has been undertaken since the Obesity Summit and the data that is provided, we work largely to data that is modelled nationally, particularly through the Australian Institute of Health and Welfare. We also work to some of the data that is modelled by Queensland Health on obesity rates and so forth. The common figure that is generally recognised in terms of rates of overweight people and obesity is that in the vicinity of, if I recall correctly, 62 per cent of men and 47 per cent of women report as being overweight and obese. There are also figures in relation to incidences of childhood obesity.

As the minister mentioned earlier, there are indications that the rates of obesity in Queensland are reducing. To ensure that we are, however, targeting our programs from the Obesity Summit at particular target groups and so forth to reduce the rates of overweight people and obesity, we have deliberately incorporated research and evaluation elements into each of those programs. For example, there has been specific research conducted around the impact of the social marketing campaign that the minister referred to earlier—the Find Your 30 campaign. Similarly, with the projects that are being conducted under the community partnerships program, there is research and modelling done on the outcomes of some of those particular projects that have been funded under that program because it is important that we ensure we have a good evidentiary base.

Mr HORAN: Minister, is it possible for you to provide on notice the data that was referred to that you worked on from the Australian Institute of Health and Welfare and Queensland Health—which was at the start of the campaign, I would believe—and any data that has been produced by those two organisations now so we can see whether there is any movement in the numbers?

Ms SPENCE: Absolutely, we will take it on notice.

Mr HORAN: Thank you. My next question goes to the minor and major facilities programs, and I note that they are very good programs. Minister, can you tell us how these programs are advertised, whether all eligible sporting bodies are notified and how they are notified?

Ms SPENCE: You would be very pleased in the increases in those programs as well this year.

Mr HORAN: I think it was just over a million dollars a year in the major one and about \$5 million a year in the minor one from memory.

Ms SPENCE: No.

Mr HORAN: The minor one was about \$7.5 million and it went up to \$12.5 million per year, and the major one was \$30 million a year and it used to be \$29 million.

Ms SPENCE: I will pass it on to Craig Matheson to talk about it. We have actually increased it much more than that. There is an additional \$10 million just in this budget alone in the majors and \$5 million in the minors—just for this year.

Mr HORAN: For this year, there is a \$10 million increase in the major and \$5 million for the minor? The major has gone up to \$30 million. Wasn't it about \$28.9 million before? It has gone up by about \$1.1 million.

Ms SPENCE: Craig Matheson is going to answer. If you don't believe me, believe him.

Mr Matheson: In response to the question, the budget for the Major Facilities Program for the next round when it is released will be increased to \$30 million.

Mr HORAN: To \$30 million? It was \$29.9 million before?

Mr Matheson: No, the historical budget per annum is \$20 million—that is the budgeted figure for the program. The Minor Facilities Program budget is being increased by \$5 million a year for each of the next three years, so that will move from a budget of \$7½ million per annum to \$12½ million per annum for each of the next three years.

Mr HORAN: And you are saying the major is going from \$20 million to \$30 million per year?

Mr Matheson: Yes, that is correct.

Ms SPENCE: Can you explain how we let the groups know, Craig?

Mr Matheson: Yes. The programs are quite widely marketed. When they are released, they are advertised in newspapers right throughout the state. The material is placed on the government's web site so it is accessible through the government's general web site as well as through our own web site. In addition to that, it is advertised through our regional network. Our regional officers have a very good contact system in place with clubs and organisations throughout their regions and they alert all clubs and organisations throughout their regions when programs are released.

Ms SPENCE: Quite seriously, if you have any ideas about how we should do it better, you should let us know. The aim of the game is not to keep it from people but to get it out there as much as possible.

Mr HORAN: My final question is from 2-290 where it mentions declining volunteerism. What is the department doing to arrest the decline in sporting volunteers? Could you detail these measures and the funds provided to try to arrest that?

Ms SPENCE: I am glad you asked this because this is the thing that I put on the department's agenda this year. For the first time ever, we had a function for sporting volunteers at Parliament House in May and we gave out some awards. I asked the department to do that pretty quickly because we had never done it before. We are now going to broaden it out and make it an annual event. We are going to open up a web site so that community organisations can nominate their own local volunteers for a statewide award. This year because we did it very quickly we picked nine iconic volunteers in the area of sport to give them awards, but next time we want to involve all local members of parliament and all sporting organisations and get them to log into this web site and nominate their own local volunteer heroes so we will start doing this in a much more orchestrated fashion. I am happy to take suggestions about how we can do that. The decline in volunteerism is a challenge for all sports, and whatever we can do to recognise these people will make it better.

CHAIR: Thank you, Minister. There being no further questions, that concludes the examination of the proposed expenditure for the portfolio of Police, Corrective Services and Sport. I thank you, Minister, and your departmental officers for your attendance. The transcript of this part of the hearing will be available on the Hansard page of the parliament's web site within two hours from now. Minister, did you want to make a final statement before I wrap up?

Ms SPENCE: No, I am happy.

CHAIR: I note that you took a few questions on notice. This committee has resolved that answers to questions on notice are due to the secretariat by 4 pm on Tuesday, 22 July. That completes the committee's hearings into the matters referred to it by the parliament on 1 May 2008. Before I conclude, on behalf of the committee I thank the Hansard staff, the timekeepers and the attendants for their assistance. I particularly thank our committee secretariat staff, Stephen Finnimore, Allison Tait and Jenny North. I thank my very supportive and collaborative fellow committee members. I declare this public hearing closed.

Committee adjourned at 6.52 pm