

THURSDAY, 15 JULY 2010

ESTIMATES COMMITTEE C—NATURAL RESOURCES, MINES AND ENERGY AND TRADE

Estimates Committee C Members

Mr JD O'Brien (Chair)
Ms DE Farmer
Mr ER Moorhead
Mrs DR Pratt
Mr JW Seeney
Ms FS Simpson
Ms ECM van Litsenburg

In Attendance

Hon. S Robertson, Minister for Natural Resources, Mines and Energy and Minister for Trade
Department of Employment, Economic Development and Innovation
Mr I Fletcher, Director-General
Mr D Hunt, Associate Director-General, Mines and Energy
Mr D Tiernan, General Manager, Mining and Petroleum Industry Policy
Mr K Beardmore, Manager, Business Support
Mr S Bell, Commissioner for Mine Safety and Health
Energex Ltd
Mr T Effeney, Chief Executive Officer
Energy Ombudsman of Queensland
Mr B Adams, Energy Ombudsman of Queensland
Department of Environment and Resource Management
Mr J Bradley, Director-General
Ms D Best, Deputy Director-General
Mr C Robson, Assistant Director-General, Land and Vegetation
Mr K Davies, Chief Executive Officer, WaterSecure
Ms C Richards, Senior Adviser
Trade and Investment Queensland
Mr R Whiddon, General Manager
Mr N Abdie, Principal Adviser, Office of the General Manager

Committee met at 8.31 am

CHAIR: I declare this hearing of Estimates Committee C now open. On behalf of the committee, I welcome the minister, departmental officers and members of the public to the hearing. My name is Jason O'Brien. I am the member for Cook and chair of the committee. Mr Jeff Seeney is the member for Callide and the deputy chair. The other members of the committee are: Ms Di Farmer, the member for Bulimba; Mr Evan Moorhead, the member for Waterford; Mrs Dorothy Pratt, the member for Nanango; Ms Fiona Simpson, the member for Maroochydore; and Ms Lillian van Litsenburg, the member for Redcliffe.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2010 for the portfolio areas of the Minister for Natural Resources, Mines and Energy and Minister for Trade and the Minister for Transport. The committee will examine the portfolio areas in that order. The committee will suspend proceedings for morning tea from 10 am to 10.15 am, lunch from 12.15 pm to 1.15 pm and afternoon tea from 3 pm to 3.15 pm. The proceedings today are lawful proceedings and subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 206.

The committee has resolved that the proceedings of the committee be broadcast and that photography be allowed during the Chair's opening statement and the introductory statements of each minister as well as for short periods during each changeover in organisational units. I remind members of the committee and the minister that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of each of these time limits. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after an extension of time has been given.

The standing orders require that at least half the time available for questions 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 advisers to the minister to identify themselves when they first come forward to answer a question if the minister refers a question to them so that Hansard can record their name.

I also remind members, witnesses and members of the public that no food or drink is permitted to be consumed in the Legislative Council chamber. Before we begin I ask that any mobile phones and pagers be switched off or switched to silent mode.

I now declare the proposed expenditure for the Minister for Natural Resources, Mines and Energy and Minister for Trade open for examination. The time allocated is three hours and 30 minutes. The question before the committee is—

That the proposed expenditure be agreed to.

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

Mr ROBERTSON: Thank you, Chair, and members of the committee. When I appeared before this committee 12 months ago we were still in the grips of the global financial crisis and our government had delivered a budget that was squarely aimed at taking Queensland through those tough times. It was a budget focused on strong economic policy to deliver the jobs and infrastructure Queensland needs for the future. Across my portfolios that meant the delivery of projects and initiatives that would support the creation of new jobs and help build our state's capacity to manage ongoing growth.

So over the past 12 months we have been working hard to deliver those very projects. A number of our state's biggest job generators continue to be major water infrastructure projects. Our government has put in place a \$7 billion water grid in South-East Queensland that has drought proofed our region and provided South-East Queensland with one of the most enviable water security positions in the country. Today I am pleased to announce what this level of security means for the future of our water supply with the release of the South East Queensland Water Strategy.

The strategy developed by the Queensland Water Commission is the blueprint for the next 50 years of sustainable, efficient and secure water supply for the south-east corner. It shows what we can achieve through strong investment and key infrastructure projects combined with the efforts of individual households to conserve water. It is because of the success of the water grid and due to the incredible efforts residents have made to change their water habits for good that we are now at least a decade ahead of the curve.

Residents right across the state are also being given the power to help reduce our state's carbon footprint while reducing their energy bills at the same time. Through programs such as the solar hot water rebate and the Solar Bonus Scheme we are helping residents to make the switch to turn Queensland into the solar state. More than 30,000 roof top solar panels are now hooked into the Queensland electricity grid with their residents taking advantage of the feed-in tariff offered under our solar bonus scheme. Since the new solar hot water rebate program went live at the start of this month more than 100 rebates have already been paid to people who have replaced their electric system with solar.

This year's budget includes the largest single funding commitment to solar in Queensland's history. Residential funding programs like these as well as large scale solar developments will help create jobs in the emerging renewable energy sector. We are working to create a renewable energy future for our state because we know we will need to continue to build our energy capacity over the coming years to continue to manage population growth. But as new industries emerge we remain committed to ensuring their growth is safe and sustainable.

This is particularly pertinent in the emerging coal seam gas-LNG industry. That is why we are investing more in inspectors in the regions and bolstering existing legislation and regulation with an even stronger framework to ensure the protection of the rights of landholders and the environment.

Finally, I am pleased to report that it has been another busy year for trade and investment in Queensland. This area of my portfolio has again exceeded its targets for supporting export businesses in our state. In 2009-10 the agency assisted Queensland companies to secure \$613.7 million worth of exports—well above its target of \$425 million. With one in five Australian jobs in trade related activities this is a great result. It means more jobs for Queensland and more opportunities to grow our economy. I thank the committee for its consideration and open up for questions.

CHAIR: We will commence our examination with the Energy Ombudsman and the energy GOCs followed by Queensland Mines and Energy. The first period of questioning is allocated to non-government members. I call the member for Callide.

Mr SEENEY: Good morning, Minister. I think it is appropriate that I advise you, Minister, that the non-government members have given notice to the committee that we will not be bound by the program that has been published for questioning before this committee. We believe there are issues that move across the defined areas into broader issues and we reserve the right to ask those questions if and when we see fit.

CHAIR: These are not matters for the minister; these are matters for the committee.

Mr SEENEY: The minister needs to be aware that I have given notice that I will not be bound rigidly by the program.

CHAIR: And the committee has resolved otherwise, Minister.

Mr SEENEY: That remains to be seen. My first question relates to the energy GOCs, which satisfies the requirements of the program.

Mr ROBERTSON: That is a good start.

Mr SEENEY: In the capital statement on page 63 Energex's capital expenditure is shown as \$1.25 billion. Does this money come from Treasury or is Energex funding it from its own revenues and borrowings?

Mr ROBERTSON: As I hope you would be aware by now, in terms of the determination of how electricity prices are set in this state, and have been now for a number of years, they are set via authorities such as the Australian Energy Regulator, the AER, as well as the QCA. Whether it be Energex, whether it be Ergon, whether it be Powerlink or whether it be the state generators, they put forward their capital works plans to the AER for consideration as to their acceptability.

Mr SEENEY: My question was where is the money coming from. My question was not about power prices yet. I will get to power prices, as I am sure you anticipated.

CHAIR: Member for Callide, do we have to step through how the proceedings are going to flow today? You get one minute to ask your question and the minister will get three minutes to provide you with an answer.

Mr ROBERTSON: As I was saying, whether it be Energex, Ergon, Powerlink or the generators they put forward their capital works programs to these independent bodies such as QCA and AER for determination as to their acceptability for the period of the price path. Once they are determined to be acceptable and/or amended, as is sometimes the case, that capital works program is then factored into the price of electricity for commercial and domestic users going forward.

In terms of where the money comes from for capital works projects for Energex or the other bodies that I have mentioned, they are reflected in the price that we all pay in terms of the electricity bills that we receive either as domestic or industrial customers.

Mr SEENEY: I am aware of that, Minister. My question was: where does the \$1.25 billion that is shown in the budget come from? What money flows from Treasury to Energex? How much of that \$1.25 billion is Energex funding from its internal revenues? How much is it funding from borrowings? How much is it funding from dividends that it pays to Treasury and then gets back?

Mr ROBERTSON: Perhaps the best person to assist you in this regard is the CEO of Energex. I will call to the table Terry Effenev.

Mr Effenev: In relation to the detail of that, funding really comes from three areas for capital. There is depreciation which is part of the revenues that we receive. Depreciation is used to fund certain parts of that capital program. There are retained earnings which we have after we pay 80 per cent of our dividends to government. The remainder is through borrowings. We have a borrowings program, which is fairly normal for an organisation like ours, through the QTC. Typically, those borrows are on about a 60-40 funding arrangement. That is the funding arrangement that we have through the AER funding arrangements. Typically you fund 40 per cent and 60 per cent comes from debt arrangements. That is fairly normal for an organisation like ours. That will move a little over time. But the typical funding arrangement that we have is on the basis of a 60-40 arrangement.

Mr SEENEY: I think you have confirmed for me that Treasury does not pay Energex a substantial amount of that \$1.25 billion. That is the point that I am trying to establish. That \$1.25 billion is obtained by Energex either through retained earnings or borrowings? Can the minister confirm that that is the case?

Mr ROBERTSON: Yes.

Mr SEENEY: Minister, what ensures that that \$1.25 billion is spent efficiently? What mechanisms are there to ensure that that \$1.25 billion is spent in a way that does not, through the process that you have already outlined, impose an unreasonable penalty on Queensland power consumers?

Mr ROBERTSON: That is a fair question. That is the role of the AER. So at the beginning of a price determination period, Energex, Ergon and Powerlink as part of their role put forward their capital works program based on their estimates of increasing demand, both on a state-wide basis and on a locality basis, and based on population or economic growth. That is then aggregated in terms of Energex's submission or Ergon's submission that goes to the AER to determine what should be the appropriate price for the electricity that is charged.

The AER goes through what I understand to be an exhaustive process to in effect challenge the GOCs to justify what they have put forward. Often, as we saw in the most recent AER determination, it will dispute what is put forward by the energy GOCs because it believes the energy GOCs may be asking for a contribution for capital works that is higher than what is necessary to run an efficient distribution network. So to that extent there is that level of transparency and justification that what Energex or Ergon or Powerlink put forward is tested so that there should be public confidence that they are not gold-plating—that is something that we would both be concerned about—our distribution system to the detriment of the price that we and residents and domestic and industrial customers pay here in Queensland.

Mr SEENEY: Thank you, Minister. 'Gold-plating' is your term. I would be more concerned about inefficiencies in the expenditure of that money—inefficiencies in the expenditure of money by Energex as an organisation that operates in a non-competitive environment in the expenditure of much of that \$1.25 billion. I take it from your answer that, in terms of government policy, the government relies on the AER to ensure that the extra burden that is imposed on Queensland electricity consumers through the process that you have outlined because of that capital expenditure is not unreasonable—that it is up to the AER to ensure there are no inefficiencies in Energex's capital expenditure, for example?

Mr ROBERTSON: That is correct. It is a combination of both the AER and the QCA, which also has a role to play in that regard. What it is also designed to do is take the politics out of determining electricity prices. One of the reasons we are seeing the level of capital investment by Energex, Ergon et cetera is that if you look back over the last 30 or 40 years in this state you see price increases that more often than not were either at or below the level of CPI. On some occasions that would have been justified in terms of rationalisation in the industry et cetera, but I think we have both been around long enough—not just in this place but in our previous careers—to know that governments of all persuasions struggled with the issue of appropriate levels of electricity prices that were so politically charged that decisions that in the long term were not sustainable were being made.

Part of the reason we are seeing the increases that we are seeing these days is a desire to take out the politics of determining electricity prices and having them determined on a rational, transparent basis that ensures we have a safe and sustainable electricity supply and distribution system in this state. That means that, unfortunately, from time to time unpopular decisions get made through these determinations that hurt people, and I understand that people are hurting. But, as I have said repeatedly, if we are to ensure, as the First World economy that we are, that one of our most fundamental economic inputs—that is, energy—is provided to meet the needs of a growing, mature economy such as ours then unfortunately from time to time we will see these determinations being made.

Mr SEENEY: Thank you, Minister.

CHAIR: The time allocated for questions by non-government members has expired. The minister will now receive questions from government members.

Ms FARMER: Minister, I refer to page 3-14 of the SDS and to the information the minister has provided in answer to a question on notice outlining a range of important electricity rebates and concessions. Can the minister please outline how these rebates and concessions are designed to help ease the pressure of increased electricity prices on vulnerable Queenslanders?

Mr ROBERTSON: Thank you, member for Bulimba. I know that you, along with me and other members in this place, understand that people are doing it tough and that increased costs in electricity will hit some households harder than others. That is why we have provided increased support for vulnerable members of the community in this year's budget.

I was particularly pleased to see the introduction of a new Medical Cooling and Heating Electricity Concession Scheme to help low-income Queenslanders with medical conditions such as multiple sclerosis who need temperature control. I gained an understanding during my time as minister for health

that MS sufferers are forced to use air conditioning year-round to maintain a stable core body temperature and prevent their medical condition worsening. As little as a 0.5-degree increase in core body temperature significantly increases MS symptoms and significantly reduces that person's capacity to work, perform normal household duties or participate in social activities. Under our new scheme, eligible applicants will be entitled to a rebate of \$216.21 per year to help cover their additional electricity costs.

This scheme is in addition to the existing Electricity Life Support Concession Scheme, which has also been increased this year. Eligible applicants are now entitled to up to \$440.30 a year for consumers using oxygen concentrators and \$294.85 a year for home kidney dialysis machines. These are people who have no choice in their electricity use, and our government is committed to ensuring we provide them with the support that they need to meet those costs.

In this year's budget we have also boosted the pensioners and seniors electricity rebate by \$12.6 million to \$106.6 million. Eligible pensioners and seniors can now access rebates of up to \$216.21 a year under this important program, and the reticulated natural gas rebate has also gone up to \$61.21 a year. And for people faced with unforeseen emergencies the Home Energy Emergency Assistance Scheme will continue to provide up to \$720 assistance.

Our government is committed to ensuring that we provide support and relief for Queenslanders who need it most, and as a society we are using more energy because of things like plasma TVs and more air conditioners being installed in our homes. That means that investment in our electricity network must continue to manage these increases in demand. High demand, unfortunately, means higher costs, which is why we have worked hard to deliver rebates to those most in need, so we can continue to support vulnerable members of our community.

Mr MOORHEAD: Minister, I refer to page 57 of the Capital Statement. Can the minister please outline how Energex is working to provide more secure electricity supply in the south-east corner?

Mr ROBERTSON: Thank you. The Queensland government is responding to significant growth in the south-east corner and increasing demand for safe and reliable electricity supply. To strengthen this response, Energex is delivering a new five-year \$40 million powerline improvement scheme in conjunction with local councils in South-East Queensland. The \$40 million Community Powerline Enhancement Program will improve the safety of electricity supply in sensitive areas and it will be delivered efficiently and effectively. The main focus is undergrounding or bundling existing lower voltage electricity lines in areas such as major street shopping precincts, sensitive environmental and heritage areas, locations with significant vegetation, high pedestrian or vehicular areas, and in communities next to bays, rivers and coastlines.

The first seven CPEP projects in the Gold Coast, Sunshine Coast, Brisbane, Ipswich and Moreton Bay council areas will commence during the 2010-11 financial year, with some projects continuing into 2011-12. The CPEP is the first of five segments in a planned \$100 million, five-year program aimed at reducing the exposure of existing overhead powerlines. An independent committee will administer the program and prioritise the projects. This means that areas most in need are identified and action taken to secure safe and reliable electricity in a cost-effective and efficient manner. This is the responsible thing to do and a stark contrast to the ill-considered, pie-in-the-sky policy that the LNP continued to trot out at the last two elections. That was to decommission every powerline in Queensland and throw them all underground—a haphazard plan which would cost an estimated \$35 billion to taxpayers.

Unlike the LNP, the Bligh government understands the impacts of decisions like these on Queenslanders, which is why Energex has been working hard to meet the energy demands of Queenslanders through this economically viable policy. We have a clear plan based on expert information to deliver reliable power infrastructure. As a result, more than 31 per cent of South-East Queensland electricity supply cables are now underground. That is enough underground electricity cable in South-East Queensland to, if lined up end to end, stretch from Brisbane to London. That would be much further than if we lined up the LNP policy papers end to end, which, by my account, I think would have trouble making it basically to the back door.

Mr SEENEY: Who wrote that? Put your hand up. Who wrote that?

Mr ROBERTSON: It is all my own work!

Mr SEENEY: Come on! Somebody wrote it.

CHAIR: Order! The member for Redcliffe has the call.

Ms van LITSENBURG: Minister, on page 17 of the 2010-11 Capital Statement there is reference to the impact that increased population and lifestyle choices can have on energy consumption in Queensland. Can the minister outline some examples of lifestyle choices that impact on the network, particularly during peak demand periods?

Mr ROBERTSON: Member for Redcliffe, it is a fact that Queensland's growing love affair with air conditioners and plasma TVs is placing unprecedented demand on our electricity supply network. The recent Queensland Household Energy Survey conducted by research firm Colmar Brunton for Ergon,

Energex and Powerlink is the most comprehensive snapshot of domestic electricity and energy-saving attitudes and awareness in Queensland to date. The survey of almost 3,500 homeowners across the state found that Queenslanders are increasingly filling their homes with air conditioners and a raft of high-energy-consuming appliances, and they are using them during peak periods.

The survey showed that, while Queenslanders were keen to make inroads into cutting their energy use, comfort and lifestyle factors were still winning out in the battle to save electricity. According to the survey, 74 per cent of Queensland homes now have air conditioning installed and each air-conditioned home now has, on average, two air-conditioning units. In South-East Queensland air-conditioning penetration levels are slightly lower than regional Queensland at 72 per cent. However, Energex research has shown that around 1,500 air conditioners are being installed in South-East Queensland every week and already some 80,000 homes have four or more air conditioners, and the number is expected to continue to go up, with 16 per cent of householders that already have air conditioning and 29 per cent of homeowners currently without air conditioning intending to install systems in the near future.

So it is not surprising that peak demand for electricity use in Queensland is continuing to grow at rates well above national averages. In fact, last summer Energex saw system peak demands break previous records during November, December and January, while a new overall system peak was recorded during February. As a government we have taken action to try to reduce this peak demand by ending the sale and installation of inefficient air conditioners. This is not about stopping people making a choice but about trying to work with the community to ensure that the systems used meet a range of performance standards. The challenge being faced by the community is that on hot, sultry summer days everyone wants and expects to be able to turn on their air conditioners at the same time, driving up energy demand to record levels. That is why as a government we are encouraging people to look at new opportunities to reduce their energy consumption, particularly at peak times, as well as move towards alternative power supply sources such as solar power.

Ms FARMER: I refer to page 2-18 of the SDS. Can the minister outline how government and Energex are helping Queensland communities to reduce their energy consumption and, therefore, reduce peak demand on the electricity grid?

Mr ROBERTSON: Following on from my previous answer, as a state government we are committed to helping Queensland communities reduce their energy consumption and improve their energy efficiency at home. Through demand management initiatives, every household can make a difference to the pressure on our energy grid to deliver, and that is why the government is supporting Energex to deliver the Energy Conservation Communities program. This initiative was first launched in March this year and the Sunshine Coast became Queensland's first energy conservation community.

CHAIR: Sorry, Minister, that concludes the examination of the estimates for the Energy Ombudsman and the energy GOCs. We will now commence our examination of Queensland mines and energy. Do you need time to change over? No. The first period of questioning is allocated to non-government members. I call the member for Callide.

Mr SEENEY: Thank you, Mr Chairman. Minister, in relation to the government's approach to or policy on electricity prices, can you explain what headroom is for retailers and what deals or arrangements the government has come to in relation to headroom for retailers?

Mr ROBERTSON: In relation to the determination of headroom, or in particular retail headroom, each year the state's independent economic regulator, the Queensland Competition Authority, adjusts the retail electricity tariffs in line with movement in supply costs using a methodology, as we all know, called the Benchmark Retail Cost Index. That is the process that the LNP supported when the new arrangements were brought in a couple of years ago. The authority escalates and gazettes the notified prices in accordance with the ministerial delegation issued under section 90 of the Electricity Act. Consistent with that delegation, the QCA must consider the government's policy objective of ensuring existing retail headroom in the tariffs at the date of the original delegation made prior to the commencement of full retail competition in July 2007. Headroom must remain relatively stable, although not necessarily the same from year to year. This should mean that notified prices maintain the same relativity supply costs as applied at 1 July 2007, at the time of the deregulation of the retail sector.

Headroom can be defined as the difference between the cost of supply of electricity and the current tariff level and is intended to preserve the degree of contestability in the market as a whole by ensuring that retailers can compete and are not obliged to supply customers at a loss. Ideally, in a competitive market headroom would be competed away by retailers wanting to attract and retain customers.

An adequate level of headroom is, therefore, necessary to ensure that Queensland's electricity consumers have the opportunity to benefit from competition in the marketplace. However, the QCA, when determining the annual increase in notified prices, has not taken, I am informed, account of the requirement in the delegation to ensure that the existing level of headroom is maintained. In their recent decisions the QCA has indicated that it was unable to consider headroom as it did not have access to reliable information on retailers' margins.

Further, the QCA has stated that it was not able to determine the level of headroom that may have existed in the notified prices at the time retail competition was introduced. Nevertheless, the authority maintains that its legislative obligations have been met. I am aware that the QCA's treatment of headroom has been heavily criticised in recent years, particularly by the retailers themselves. I recall very clearly in my early days as minister for energy after the last election the retailers coming to see me asking me to increase electricity prices by a margin to reflect what they considered to be their reasonable costs. I have maintained a consistent position that that should be—

CHAIR: Sorry, Minister, unless the member for Callide is prepared to offer an extension—

Mr SEENEY: No, I would just like a simple answer from the minister.

CHAIR:—it is his opportunity to ask a question.

Mr SEENEY: Minister, has the government done any deals with retailers to ensure or to guarantee them a profit margin using the headroom mechanism that you have just outlined in some detail?

Mr ROBERTSON: I was just getting to that, and I thank you for that question. What I was saying is that the retailers came to see me shortly after last election, when I assumed the responsibilities of minister for energy, asking for an increase in the retail margin to reflect what they considered to be fair headroom. I advised them in no uncertain terms that I would not be making any adjustment to reflect their concerns and that if they had an argument to put forward to increase that part of a determination to reflect what they considered to be fair headroom then that was a matter that they would have to put before the QCA and it would be the QCA, as the independent determinant, who would make a determination as to whether what they were arguing was right or not.

What I have outlined for you is the background to why headroom is an issue. Basically, it is a profit margin for a retailer to operate in a prudent and efficient manner. Obviously, if a profit margin cannot be set then retailers will not be able to operate and will not be able to compete. What is considered to be a fair margin is why we have the QCA determining these matters in an open and transparent manner. As to any suggestion that there has been any deal by government and the retailers, there has certainly not been.

Mr SEENEY: Minister, once again you passed the buck to the QCA. Does your government have any policy or any position that would maintain downward pressure on power prices or do Queensland consumers just have to cop the continual exorbitant increases that have become a feature of your government?

Mr ROBERTSON: What I have outlined constantly over the last couple of years is that our first responsibility is to ensure that in a growing economy and a demographically growing state we provide the necessary settings to ensure we have a safe and reliable energy supply for both commercial and domestic purposes. I have continually outlined the pressures that are on our energy system, including in answers just a few moments ago to other members of this committee. What is driving up prices is largely about how we all as consumers are now investing in more energy-hungry appliances, particularly in the area of air conditioning, and using them during peak periods. When you look at the additional investment that is required to meet ever-increasing demand during peak periods, you see that it is disproportionate. But that is the reality of living in Queensland. I am not being critical of people by any stretch of the imagination; I have air conditioning at home, as I am sure most, if not all, members of the committee do. But that comes at a cost, and we are seeing the implications of those costs in the level of investment that is required to meet those peak demands.

Unfortunately, someone has to pay for that at the end of the day. We as a government have targeted our assistance to the most vulnerable people in our society and have maintained a commitment to uniform tariffs across the state. Many hundreds of millions of dollars are provided by the state government to ensure that people outside South-East Queensland do not suffer disproportionately higher electricity costs than are experienced in the capital city.

So in terms of levels of assistance to provide downward pressure, we already have a range of forms of assistance in place. As minister for energy I can assure you that I will continue to look at whatever ways we can come up with to continue to provide assistance but also look at ways of putting, as you say, downward pressure on electricity prices so that we do not see a continuation of these very high price increases. But it cannot come at the cost of a reliable electricity supply that is required by a First World growing economy such as Queensland. But when you look at packages such as we offer in terms of solar hot water—

CHAIR: Order! The time for that answer has expired, unless the member wants an extension.

Mr SEENEY: No, thank you. I have heard it all before. Minister, can we move on to another issue. Can I refer you to questions on notice Nos 4 and 6 that are before the committee, to which the answers confirm the widely held belief that your department spends a lot more time and energy monitoring and enforcing regulations relating to vegetation management and landholders than it does monitoring and enforcing the activities of the miners involved in the boom that is happening right across Queensland.

Minister, why is it more of a priority for your department to monitor and enforce the regulations under the Vegetation Management Act than it is to monitor and enforce the regulations under the mining act relating to the exploration and development boom that is happening in Queensland?

Mr ROBERTSON: Because the responsibilities of DEEDI are to monitor—

CHAIR: Minister, that seemed to me to be a question regarding natural resources.

Mr SEENEY: No, mines—monitoring the mining activity.

Mr ROBERTSON: No, it is.

CHAIR: Sorry.

Mr ROBERTSON: The question is why my department, DEEDI, spends more time monitoring mines and energy than vegetation management. It is simply because they do not have responsibility for vegetation management. As you have pointed out, that is with DERM—another department.

Mr SEENEY: Both activities are under your supervision.

Mr ROBERTSON: Ask a different question.

Mr SEENEY: I will phrase the question differently.

Mr ROBERTSON: Or correctly.

Mr SEENEY: Why are the monitoring and enforcing activities that you supervise under your responsibility as minister for mines and energy less than the monitoring and enforcing activities that you supervise in other areas of your portfolio, such as the vegetation management legislation under that particular part of your portfolio?

Mr ROBERTSON: I do not think you are comparing apples with apples, because when you look at the monitoring activities of the mining industry under my portfolio—the question that you asked on notice—what we have seen is a regular increase in the number of inspectors being employed by the department, including this year. One of the major initiatives coming out of the budget was the employment of additional inspectors to assist landholders with their concerns for the growing coal seam gas to LNG industry. That is a direct benefit to landholders and reflects the concerns they have been expressing to me about the growth of this industry.

On the other hand, when you look at the inspectorate that you asked about in relation to DERM, it is a combination of inspectors who have been put in place in previous years for our Vegetation Management Act—and I know that you absolutely hate the fact that you cannot cut down as many trees as you would like, but that is the reality of living in Queensland these days, Jeff, and you will just have to get used to it—

CHAIR: Order! The minister will refer to the member by his correct title.

Mr ROBERTSON: Member for Callide. But also in relation to that answer, the number of inspectors in DERM have roles to play in monitoring the activities of the mining industry as well, because under the old EPA they did not just monitor farmers' activities but they also monitored miners' activities. So in relation to comparing apples with apples, you cannot take your question No. 4 and compare it on an equitable and fair basis with question No. 6, because the responsibilities of monitoring activities across the landscape are shared by many departments and are not exclusively the province of one industry, being agriculture or grazing, or another industry, being mining, gas and petroleum.

Mr SEENEY: Has the department changed its method of monitoring mining activities with the expansion of that activity in the more highly populated and heavily developed areas such as the Darling Downs? Does the department have a different approach to monitoring the activities in those highly populated, highly developed areas than they do in the more remote areas of Queensland?

Mr ROBERTSON: You will have to give me more information. I am not sure what you are referring to.

CHAIR: Is that a budget line item? What is the SDS page number?

Mr ROBERTSON: I am not trying to be smart here.

Mr SEENEY: I am referring to the answers to the questions on notice, particularly No. 6, which related to the monitoring and enforcing of the mining act and the number of staff who have been appointed.

Mr ROBERTSON: So it is mining and petroleum that you are referring to?

Mr SEENEY: Mining and petroleum activity in the highly populated, highly developed areas of the Darling Downs. I would expect that a prudent government would have a different approach to the monitoring and enforcing activities in those areas than they would in the more isolated areas, such as the minerals province in the north-west, for example.

Mr ROBERTSON: To assist you I think it is probably useful to get Stewart Bell, the Commissioner for Mine Safety and Health, to provide answers in that regard.

Mr SEENEY: I would be looking for answers that—

CHAIR: Order!

Mr SEENEY: I am just trying to clarify the problem that you have.

CHAIR: I do not have a problem.

Mr SEENEY: We will not debate that.

CHAIR: We will see if Mr Bell does.

Mr Bell: With regard to your question, Mr Seeneey, we have a total of 46 mines inspectors, we have 15 petroleum and gas inspectors and 18 explosives inspectors based around this state. We have people in Mount Isa, who obviously deal with remote mining areas there, as well as officers in Rockhampton, Mackay, Townsville and in Brisbane. We are in the process of recruiting more petroleum and gas inspectors to be able to provide a better service to the growing LNG industry. We will be locating some of those inspectors in areas such as Dalby, Chinchilla or Roma depending on who applies for the positions. So we will be applying a slightly different process in the south-east region in terms of locating inspectors as close as possible to the activities that are going on out there.

Mr ROBERTSON: Can I follow on from Mr Bell? I think it is fair to say that the work of the inspectors in that part of South-West Queensland that you are referring to is not the only work of this government in terms of meeting the concerns of landholders. The inspectorate have a role to play—obviously a regulatory role. As you are aware, a number of weeks ago I called on the industry to provide certainty to landholders about the safety of their well heads. I am certain we will probably be talking a bit further about that program. There is a requirement on industry to regulate itself as well as our inspectorate but as well as that, across departments from both DERM and DEEDI, we are being more proactive than ever before in engaging with landholders across a range of issues that are being discussed quite openly. We have discussed, you and I, member for Callide, the development of this coal seam gas industry.

With additional resources being put in by government and requirements for industry to also put additional resources into better community engagement, I am confident that we will see an improvement in the communication and understanding of communities, particularly in the south-west, about the concerns that they have been expressing across a spectrum of environmental and social issues.

Mr SEENEY: Thank you, Minister, and thank you Mr Bell for your input. I accept and understand the answer that was given in relation to the additional officers who work in the gas inspectorate and the mines and safety area and appreciate their important roles. However, the thrust of my question is about supervising and regulating the exploration and development activity that is happening. That relates very much to what you referred to, Minister, especially in regard to the code of conduct—the regulatory code of conduct. What resources is the department allocating to supervise that exploration and development activity, especially in relation to ensuring that that code of conduct is abided by?

Mr Hunt: Toward the end of last year we put an additional four staff into Roma in a joint office with DERM. We were looking to merge the mining and the environmental responsibilities of the government addressing the issues coming with the CSG industry. That was followed earlier this year by another two staff from DERM so that there were five or six positions in Roma. One of the staff members from there has been working in other parts of the region. We are now in the process of putting another three staff into Dalby addressing the same sorts of issues. These people have a compliance and education role and are working mainly with the farming community and getting people to understand better their rights and their obligations with respect to the mining industry. I think they have been fairly strongly welcomed. The feedback that we have had from people in the community is that that has been appreciated, both in terms of the rights that are being explained to people and the obligations that they have in terms of access onto their property.

The answer to this question really needs to think about both DEEDI and DERM. We have complementary responsibilities. It is both land access, which is largely about behaviour on the land, and the strict environmental regulation which is a complementary activity. You cannot talk about one without the other. In relation to the total staff, from early last year the two departments would have had four or five people out in the Surat Basin. By the end of this year that number will be over 20 based in the Surat Basin working on those sorts of compliance and education activities.

Mr ROBERTSON: I should say—

CHAIR: Unfortunately, time for non-government questions has expired. It is now time for government questions and I will be asking the first question. I refer to page 2-4 of the Service Delivery Statement which refers to the government's \$150 million funding for solar initiatives and investment in the Solar Hot Water Rebate Scheme. Can the minister advise the committee of the community's response to this program since it went live on 1 July?

Mr ROBERTSON: This follows on from what I was about to respond to the member for Callide. The Solar Hot Water Rebate Scheme kicked off on the first of this month and already the initiative is helping Queenslanders to make the switch to solar. In the first week of the program alone more than 100 rebates were paid to Queenslanders who have installed solar hot water or solar heat pumps in their homes. By the end of this month that number is expected, I am informed, to reach around about 1,000.

Under the scheme, our government is offering generous incentives for solar hot water with rebates of \$600 on the price of a new system or \$1,000 for eligible pensioners and low income earners. We announced \$29.5 million in this year's budget to go towards the \$60 million scheme and it is great to see that funding is already helping to turn Queensland into the solar state. Residents who take advantage of the scheme are also eligible for a federal government rebate of \$1,000, as well as renewable energy certificates which, combined with the state rebate, can deliver up to \$3,000 in savings on a new solar hot-water system.

The installation of solar hot water has major benefits for both consumers' electricity bills and the environment. By running their hot-water system off solar power residents can reduce the amount of electricity they require from the grid which helps to reduce their quarterly bill and, of course, reduced electricity consumption means less demand for energy from coal powered stations which helps to reduce our state's carbon footprint.

The Bligh government is determined to make Queensland the solar state by doubling our solar energy over the next five years. That is why we have announced the largest single funding commitment for solar deployment in Queensland's history in this year's budget. That is why we have launched the Do the Bright Thing campaign to encourage Queenslanders to help us achieve this important goal. By switching to solar Queenslanders are helping support the growth of an emerging green industry, creating green jobs and making a real difference in the battle against climate change.

Ms FARMER: I refer to page 2-4 of the SDS with reference to the government's solar initiatives. Can the minister advise how many Queensland roofs now have solar panels which are hooked up to the grid as part of the Solar Bonus Scheme?

Mr ROBERTSON: Queenslanders have achieved a new solar milestone under our government's Solar Bonus Scheme. Since the launch of the scheme in 2008, the amount of connected solar energy generating capacity has jumped to nearly 53 megawatts, compared to just 1.5 megawatts two years ago. When we established the Solar Bonus Scheme we estimated that it could take up to 10 years to install eight megawatts of solar panels. The fact that we have actually reached over 50 megawatts in just two years is absolutely remarkable. This shows that Queenslanders are keen to do the bright thing and embrace the benefits of switching to solar energy. They recognise they can save money and the environment by installing solar voltaic panel systems on their homes and businesses and they are helping make Queensland the solar state by signing up in record numbers to participate in the Queensland Solar Bonus Scheme.

Under the scheme customers receive 44 cents per kilowatt hour in credit for surplus electricity generated by their solar PV systems that is exported back into the Queensland electricity grid. Prior to the scheme starting there were about 1,200 customers with solar PV panel systems connected to the grid. At 30 June this year we had 30,450 customers reaping the benefits of the scheme and more than 52.7 megawatts of connected solar generating capacity. A staggering 43.3 megawatts of this solar generating capacity was connected in Queensland during 2009-10.

The take-up rate for the scheme continues to be very encouraging, particularly as 24,531 new customers signed up during the past 12 months. Participating customers have to date collectively exported more than 11.9 million kilowatt hours of surplus solar energy back to the Queensland electricity grid. That is enough to power more than 1,500 average homes for a year. They have reaped the rewards by receiving more than \$5.2 million in credits on their electricity bills.

The launch of the Do the Bright Thing solar campaign in April saw a further surge in solar energy connections. Energex connected a record 4,826 new solar PV systems during the past two months alone in South-East Queensland and for the third month in a row the number of solar PV connections by Energex exceeded the number of its new electricity connections.

Since the scheme began, Energex has increased solar PV customer connections in South-East Queensland from 4,052 in June 2009 to 23,375 as at 30 June 2010. In regional Queensland, Ergon and Country Energy increased their solar PV connections from a combined 1,874 to 7,082 over the same period. Our government is determined to see solar panels light up the roofs of houses across Queensland as we work to double the solar power in Queensland by 2015.

CHAIR: Member for Redcliffe?

Ms van LITSENBURG: I refer to the Budget Highlights document with reference to an increase in the number of petroleum and gas inspectors this year to help monitor growth in Queensland's burgeoning CSG-LNG industry. Can the minister please advise how these inspectors will help build the capacity of the inspectorate to ensure the expanding CSG industry is safe for both workers and the community?

Mr ROBERTSON: Thank you, member for Redcliffe. It provides me with the opportunity to provide further information to the member for Callide based on his last question. We have already stated that we are committed to supporting the emerging coal seam gas to LNG industry and we are determined that the growth of this industry must be both safe and sustainable for workers and local communities where exploration activities are taking place.

One area in particular that we are investing significant funding in is in petroleum and gas safety and health. Queensland has one of the best mine safety records in the world. We want to keep it that way. That is why this year's budget is delivering \$14.6 million over the next four years to expand our Petroleum and Gas Inspectorate across the state. The growth in inspector numbers, particularly in regional Queensland, will ensure the frequency of industry monitoring and coverage of inspections and audits continues to be effective as the industry grows. Nine new specialist petroleum and gas inspector positions have been advertised nationally to address risks identified through audit and inspection activities and a specialist petroleum and gas investigator has also been appointed. Project officers to work on policy and national agenda initiatives, such as the National Occupational Licensing Scheme, are also being recruited. We know the importance of having the right people in the right place in order to ensure thorough regulation of this industry. That is why we will continue to recruit specialist safety and health staff and inspectors to ensure Queensland's reputation for safety remains among the best in the world.

Just getting back to what the member for Callide was asking before, in addition to the initiatives I have just referred to there and the initiatives we outlined previously, the other thing that has occurred since the last time you and I had a conversation about what we were both hearing and seeing out in South-West Queensland is that both the director-general of DEEDI, the director-general of DERM and the associate director-general to my left travelled out to South-West Queensland and met face-to-face with major stakeholder groups such as the basin alliance et cetera. They saw and heard for themselves the concerns that we had been hearing as well. From the report back from my directors-general that was a very, very useful trip in terms of them gaining a firsthand understanding but also imparting to those major stakeholder groups the various initiatives that were being put in place.

It was also a very useful precursor to the community cabinet that we will be having in Roma in the next number of weeks, specifically designed to show this government's interest and concern for those issues that residents of that part of Queensland, South-West Queensland, have been articulating through various media outlets. I would hope, member for Callide, that you and I will be able to continue to engage in a dialogue to share our respective experiences because I think we do actually share a lot in common in terms of what we want to see and reaching a real balance.

Mr SEENEY: You need to put people on the ground.

Mr ROBERTSON: Sure, but we have also outlined—

CHAIR: Order! I have actually got the call. You can have a conversation outside later perhaps. I refer to page 2-3 of the Service Delivery Statements with reference to the \$18 million in funding for the Greenfields 2020 Exploration Program. Can the minister outline how this program will help build new opportunities for investment in mining in Queensland?

Mr ROBERTSON: An excellent question, Chair. Exploration is the lifeblood of our minerals and energy industry. Queensland needs ongoing effective exploration to maintain and grow our resource base and to support future production as we see global demand continuing to increase. Over the past five years we have invested \$49 million through the Smart Exploration and Smart Mining—Future Prosperity programs in exploration to encourage local and international investment. As a result, investment has increased from \$240 million to \$816.5 million over the last six years from 2004 to March 2010.

The Queensland government is continuing to put our money where our mouth is and create an environment which is attractive to the resource companies and investors and, in turn, strengthens the economy and creates new jobs. Through the greenfields 2020 program we will see a further \$18 million injected into exploration to establish Queensland as Australia's greenfields exploration capital. That builds upon the extensive investment by the Bligh government in helping attract resource investment in Queensland. Over four years greenfields 2020 will target key underexplored geological terrains that have the potential to develop into major new mineral and energy resource provinces for Queensland.

Greenfields is a key part of the Bligh government's \$55.8 million resource industry package announced in the 2010-11 budget aimed at further strengthening the sector and generating interest from investors. The Geological Survey of Queensland has already set up a Greenfields Prospectivity Unit and has developed a number of initiatives to stimulate greenfields exploration for mineral, coal or gas, geothermal resources and carbon storage reservoirs. These initiatives include the acquisition of new geological and geophysical data for 3D structural and geodynamic interpretation inversion modelling to produce regional resource assessments. This will be complemented by updating the coal, gas and mineral databases to improve understanding and stewardship of current and potential resources of the state.

Greenfields 2020 will also provide \$3 million over four years towards collaborative drilling grants for explorers to encourage them to drill in these new but potentially rewarding greenfield areas. This is an extension of the collaborative drilling initiative started under the Smart Mining—Future Prospectivity Program, which has seen 24 technical successes from the 47 drilling projects completed to date. These grants allow explorers to test their new models and innovative ideas in underexplored areas and provide new geological and resource information.

The new Greenfields 2020 Program and supporting initiatives clearly demonstrate that the Bligh government is following through with our commitment to support the exploration industry and deliver jobs for Queensland.

Mr MOORHEAD: I refer to page 2-9 of the Service Delivery Statement. Can the minister outline how the activities of the Mine Health and Safety Inspectorate over the past year have helped to improve safety on Queensland mine sites?

Mr ROBERTSON: The state government takes mine safety extremely seriously. Last year we created a dedicated Commissioner for Mine Safety and Health, a first for Queensland, whom we heard from earlier. In our quest to ensure industry makes mines as safe as possible, the Queensland's government's Mines Inspectorate has been given legislative power to issue safety directives to mining companies which have the capacity to stop the mine from operating. These directives are mandatory and if mines do not comply with such safety directives, the inspectorate can suspend operations.

Over the past 12 months nine coalmines have been closed or specific mining operations suspended. This demonstrates that Queensland has some of the toughest mining legislation in Australia. The Mines Inspectorate will not tolerate any unsafe practices which could endanger lives, and that is why this strong action will continue to be taken. Failure to comply with directives can also attract a maximum penalty of 800 penalty points, or \$80,000, or two years imprisonment. Any incidents that do occur are fully investigated so that any further action that may be required to ensure the safety of workers can be taken to prevent recurring accidents.

The Queensland government also understands that some smaller mines may not be as well resourced as bigger operators, which is why we have taken steps to correct any imbalance. To this end, I introduced legislation recently requiring mines of 10 workers or less to develop and implement stringent safety and health management systems effective from 1 September 2010. This legislation was introduced to have a significant safety impact on the small mining and quarrying industry and ensure the safety of all workers in Queensland mines. The Mines Inspectorate has also conducted a program consisting of workshops of site based mentoring. They commenced in February 2009 for small mines and quarries of 10 workers or less.

There are approximately 300 small mines and quarries across Queensland that are affected by the legislation change. That is up to 3,000 workers in Queensland who will be working under a higher standard of workplace and safety conditions. Our government is determined to ensure that we do everything we can to keep mine workers safe as well as protecting mining communities in general. That is why we will continue to support the inspectorate in the important work that they do.

Ms van LITSENBURG: I refer to page 2-8 of the Budget Highlights and the reference to the government's \$115 million package, and I ask: will the minister please outline the details and benefits of the Kogan Creek solar project to the committee?

Mr ROBERTSON: To further grow the state's emerging solar industry, our government has developed a package of targeted solar initiatives aimed to increase support for solar energy, create green jobs, drive community participation in solar programs and encourage private investment in solar technologies. In what is the largest single funding commitment for solar deployment in Queensland's history, we announced \$115 million over five years for solar programs in this year's budget.

A key initiative under the package includes \$35.4 million for CS Energy's carbon pollution reduction project. Our \$35 million investment in CS Energy's project means that they are able to invest in what we expect will be the largest solar thermal installation in the Southern Hemisphere, the 44 megawatt Kogan Creek Solar Boost Project. The solar boost project, which received \$32 million in federal government funding, is believed to be the first utility-scale application of solar integration into a coal fired power station in the world. CS Energy's solar thermal plant will be located next to the existing 750 megawatt Kogan Creek Power Station in South-East Queensland. The project, using linear Fresnel solar thermal technology, will have the capacity to generate an additional 44 megawatts of—

Mr Seeney interjected.

Mr ROBERTSON: No, it is linear Fresnel solar thermal technology.

CHAIR: You can ask your question in a minute.

Mr ROBERTSON: It will have the capacity to generate an additional 44 megawatts of electricity from the Kogan Creek Power Station at times of peak solar conditions. A key benefit of the Kogan Creek Solar Boost Project is that the solar thermal addition will enable Kogan Creek Power Station to produce more electricity with the same amount of coal, making the coal fired plant more efficient and reducing its

greenhouse gas emissions. It is anticipated that the project will avoid greenhouse gas emissions of some 35,600 tonnes per annum. This project will also help create green jobs, with 120 jobs expected to be created during peak construction of the project.

It is initiatives such as the Kogan Creek Solar Boost Project that demonstrate our commitment to move towards a renewable energy future. Queensland is now well on track to becoming a world leader in solar and renewable energy development. The Bligh government is proud to be delivering on this important green initiative.

Ms FARMER: I refer to the Budget Highlights document and I ask the minister: how is the government working to facilitate fair and respectful interaction between landowners and the CSG industry?

Mr ROBERTSON: Our agricultural and mining sectors are the backbone of regional Queensland and for decades they have been working side by side as major economic drivers for our state. The impending growth of the CSG to LNG industry provides new opportunity for regional communities to benefit from the mining sector but, as with any new industry, there is a need to ensure we have a system that enables proponents and landholders to come to an agreement where all parties are happy with the results.

The fact is that Queensland's resource wealth is not owned by individuals or companies. It is the property of the people of Queensland, and negotiations to access resources need to keep that in mind. That is why our government has taken a proactive approach and worked closely with stakeholders to deliver a framework that ensures a fair outcome for landholders, mining companies and the people of Queensland as a whole.

As a result of consultation with representatives from the mining and agricultural industries as well as community representatives, we have introduced legislation which will provide a clear process for access to private land for resource exploration and development along with compensation associated with those activities. Key reforms under the new framework require the LNG industry to more readily consult and communicate with landholders. The industry, along with all other resource sectors, will also be required to comply with a single land access code of conduct, which sets the minimum standard of behaviour in how activities are to be conducted on private land. Conduct and compensation agreements with landholders are part of this framework and will be required before the LNG industry can access private land. The design of this framework is to facilitate the parties reaching an agreement rather than resorting to legal avenues for resolution.

I have recently issued a land access code of conduct, which was developed in consultation with all relevant stakeholders through the Land Access Working Group. I have written to all coal seam gas companies urging them to immediately adopt this interim code as the minimum conditions by which they operate. To ensure further equity in the negotiation process, a standard conduct and compensation agreement and negotiation tips for landholders are also included in the legislative reforms. This will assist in addressing any imbalance in a negotiating power between landholders and resource companies.

CHAIR: Order! Sorry, Minister, the time for government members' questions has expired. The remaining session time will be split evenly between government and non-government members. There will be 10 minutes each. The committee has also given leave for non-committee members to ask questions. To that end, the member for Cleveland has sought leave, which has been granted, for him to now ask a question.

Dr ROBINSON: I refer to page 2-7 of the Service Delivery Statement where it says under Recent Achievements that the key focus of DEEDI was securing jobs. In relation to the recent decision to cease sandmining on North Stradbroke Island and given that the government would not have made such a decision without completing a job and economic impact statement, can the minister tell this committee what is the forecast loss of revenue to the state in royalties and what is the number of forecast job losses from the government's decision?

Mr SEENEY: I am sure you have got that.

CHAIR: Member for Callide, please.

Mr SEENEY: Come on, Mr Chairman—

CHAIR: If we give the minister a chance I am sure he would love to answer the question.

Mr ROBERTSON: Absolutely. Mining is an integral component of the economy of North Stradbroke Island and we recognise that it also supports industry on the mainland. Issues raised over a period of time by the community and conservation and other interested stakeholders over the mining operations on North Stradbroke are well known and have been widely acknowledged by the Queensland government. The government is committed to a new national park target of 7.5 per cent by 2020 of which North Stradbroke Island is a key component.

As announced by the Premier on 20 June, mining will be gradually phased out on North Stradbroke Island, with full cessation of mining by 2027 and up to 80 per cent of the island being converted to national park. The North Stradbroke Island community is currently being consulted in

relation to the establishment of the national park and other elements of the North Stradbroke Island vision. Restricted area 380 was established over North Stradbroke Island on 21 June this year and has the general effect of preventing mining tenement applications being made over the island from this date. Both departments—DERM and DEEDI—and the holders of the mining lease are currently looking at those mining leases on North Stradbroke Island where mining has been completed to ensure that rehabilitation is carried out to an acceptable standard.

What we will be seeing over the coming years, as I have mentioned, is a gradual cessation of mining and the gradual declaration of more of the island for national park. The job opportunities that come with that should be acknowledged. Part of the discussions with the Quandamooka people, the native title clan, are also about providing longer term options for job creation, particularly in the tourism industry. We recognise that there is a range of pressures on North Stradbroke Island based on it becoming a more popular tourist destination. But as a result of native title considerations, opportunities for further housing and further commercial development have, to date, been limited. So part of the negotiations to transition North Stradbroke Island's future away from mining is to have a corresponding growth in the tourism industry and direct opportunities for the Quandamooka people and other people who live on the island. The royalties that are currently gathered by the state equate to around \$5 million—

CHAIR: Sorry, Minister. Unless the member is prepared to offer an extension of time, the time has expired.

Dr ROBINSON: Yes, I have a supplementary question.

Mr ROBERTSON: I can finish this bit in about 10 seconds.

Dr ROBINSON: He has not answered the question yet about what the economic impact will be.

CHAIR: Your option is to offer the minister an extension of time or to ask your next question.

Dr ROBINSON: I have another question.

Mr SEENEY: Or do both.

CHAIR: I call the member for Cleveland.

Dr ROBINSON: Is the minister prepared to table all of the material, the studies and reports done by the government on the economic impact of the closing of the mine, or, if they do exist, are they going to be kept secret?

Mr ROBERTSON: I think in the first instance responsibility for this is with my colleague the Minister for Climate Change.

Mr ROBERTSON: It is about mining job losses.

CHAIR: Order! Member for Cleveland, you have asked your question. Now is the opportunity for the minister to answer it.

Dr ROBINSON: It is not about the national park.

CHAIR: Order, please! Minister.

Mr ROBERTSON: Thank you. As part of the consideration of the future of North Stradbroke Island in terms of its future declaration as national park status, that was led by my colleague the Minister for Climate Change, who has responsibility in relation to that area. They are the ones who conducted those studies. I would invite you to ask my colleague when she is before her committee.

But I would finish by saying that current revenue generated in royalties from the island is around \$5 million. So it is not a substantial amount in terms of the overall royalties that are earned by the state from the mining industry. I can assure you that, in terms of the government's consideration about North Stradbroke Island's future, it is not about closing one industry and leaving North Stradbroke Island to its own devices. It is about ensuring a long-term sustainable future for the island and the growth of a sustainable tourism industry providing more economic development opportunities than would otherwise be the case by a comparatively small industry that has a defined life anyway in terms of its ability to extract resources.

I think it is fair to say that the decision to protect North Stradbroke Island and declare a large part of it as national park has been met with broad community support. But our commitment to the people on North Stradbroke Island is to ensure that they have not just an ecological future, a sustainable future, but an economic future as well.

Dr ROBINSON: So will you table the reports?

CHAIR: Order! The committee has no power to compel the minister to table documents. The member for Nanango has the call.

Mrs PRATT: Minister, in low socioeconomic areas like the South Burnett, I am getting more and more reports of people using candles, lighting donkeys and eating off barbecues to save electricity. Do you recognise that this is a real problem for people who are financially challenged at the present time? How much more cost does the industry believe people can absorb?

Mr ROBERTSON: I have said repeatedly that I take no joy whatsoever in seeing the increases that we have witnessed over the last couple of years in electricity prices. I, for one, wish that it was not so, but it does reflect, as I have said, unfortunately the reality of what is happening in this state, created by a range of pressure points—whether it be demographic growth, industrial growth, changing usage patterns. They all have a part to play in the increases that we have seen. It has not been driven by greed by this government in terms of more royalties, but it does reflect the reality.

What we have also acknowledged is that the impact of these increases are felt more so by the more vulnerable in our society. That is why we moved last year and this year to increase existing assistance schemes, and I have outlined already, in answer to a question from the member for Bulimba, I believe, quite extensively what our range of assistance packages is. This year we have introduced a new scheme to help people. I mentioned earlier that this was something I learnt to appreciate during my time as minister for health. There are people in our society who are temperature sensitive as a result of particular medical conditions that they have. We are providing a new form of assistance for them, recognising that they have particular needs.

We have also seen an increase in those who are particularly distressed. A scheme commenced on 1 September 2007 which provides assistance with emergency payments now up to \$720 to meet the cost of electricity or gas charges. We are doing what we can. Of course I have mentioned already the benefit of converting to solar.

Mrs PRATT: They cannot afford solar, Minister. They cannot afford their bills.

CHAIR: Order!

Mr ROBERTSON: I understand that but what we are trying to do is maximise the levels of assistance that we provide vulnerable people in our society and other people to cope with the escalation in these electricity bills. We have great empathy and understanding about the difficulties that people are facing, which is why we have seen the increase in these levels of assistance that we put in place over the last number of years.

CHAIR: Order! The time for non-government questions has expired. I now call the member for Waterford.

Mr MOORHEAD: Minister, in the Budget Highlights there is reference to the government's commitment to safety in the coal seam gas industry. In May this year you announced a wellhead safety audit on existing CSG sites across the state. Can the minister update the House on the progress of the audit and the results to date?

Mr ROBERTSON: As I mentioned earlier, following concerns raised by some members of the community earlier this year and after initial investigations by our Petroleum and Gas Inspectorate, I directed the state's coal seam gas producers to fully audit their operations to ensure their gas wells and equipment meet appropriate health and safety standards. Under this program, all CSG producers have been required to do a complete inspection and risk assessment of all existing wellheads and provide a report to government on the results of those inspections. I am pleased to report that more than 1,600 individual wells have now been tested and to date 90 per cent have come back absolutely clear. While small leaks were detected at the remaining 10 per cent, none have been found to pose any threat to public health and safety and all are operating within national health and safety standards.

I will ask our Commissioner for Mine Safety and Health, Stewart Bell, to provide more in a moment, but I do want to make one thing clear: our government is committed to a safe mining industry. These wellhead audits will continue, with a total of 3,335 wells to be tested by the end of the program. The inspectorate has been firm on ensuring that any wells which require repairs to meet best practice standards are fixed immediately. All CSG wells are now fully fenced so they cannot be accessed by members of the community.

Our wellhead safety program has forced companies to review their current practices and improvements are being made in a number of areas. The inspectorate will continue to undertake unannounced field inspections and testing to ensure that the gas companies meet their legislative obligations. To assist in this process, a technical advisory committee has been formed by APIA to consider a common approach to risk management of wellheads, including monitoring and remediation controls. I invite Stewart Bell to provide further details of the audit results to date.

Mr Bell: So far the 11 companies that were provided with directives to carry out this program have tested 2,239 wells as of yesterday. This number is changing all the time, as I am sure you will imagine because people are testing wells on a daily basis and also there are more wells coming into being every day because there are roughly 40 drilling rigs in the area at the moment drilling new wells.

Only 13 wells actually were leaking at a level that required some remedial action. By that, we mean that they are leaking at above 10 per cent of the lower explosive limit of methane. The lower explosive limit of methane is the level at which the gas can be ignited. So we are saying that these wells were mostly well below 10 per cent of that number. So there is no danger to the public. They cannot be ignited even if someone goes there with a flame.

CHAIR: Order! Mr Bell, time has expired. I call the member for Bulimba.

Ms FARMER: I refer to page 3-71 of the Service Delivery Statement.

Mr SEENEY: Excuse me, Mr Chairman.

CHAIR: Is this a point of order?

Mr SEENEY: Yes. Could I propose that Mr Bell be allowed to finish his answer? I thought that was valuable information.

CHAIR: It is up to the questioner if an extension of time is allowed.

Mr MOORHEAD: Yes.

Mr Bell: Thank you, Chair. I just want to add that the wells are all isolated. As the minister mentioned, they are fenced off so people cannot get close to them. The worst we detected was a well that was leaking roughly 40 per cent of the lower explosive limit of methane and that well was repaired straightaway. If companies detect wells at that level—and they detected very few—they are repaired. We insist that they are repaired straightaway.

CHAIR: Thank you.

Ms FARMER: I refer to page 3-71 of the Service Delivery Statement and the provision of solar panels under the solar kindies program. Can the minister outline the importance of this \$5.8 million initiative and what it will mean for educating young Queenslanders about renewable energy?

Mr ROBERTSON: Queensland's kindergartens will help lead the state's solar revolution by harnessing sunshine as a clean energy source. In this year's budget we have allocated \$5.8 million to install solar power systems on up to 420 kindergarten sites in Queensland over the next four years. As part of the Queensland government's Toward Q2 early childhood education initiative, 240 new Queensland kindergarten services are planned across the state. Our objective is to install rooftop solar panels, as appropriate, at the sites.

In addition, a competitive funding round of \$2 million will enable solar power to be installed on up to 180 existing not-for-profit community kindergartens. This is an exciting technology. We are putting clean energy technologies within the reach of thousands of young Queenslanders. Having a solar power system on site at kindies will provide educators with opportunities to inform and inspire what will be the state's next generation of scientists, engineers and sustainability experts. By installing rooftop solar panels, we will also be helping hundreds of our kindergarten services save on their electricity bills and help reduce Queensland's greenhouse gas emissions.

The use of solar energy on kindergarten rooftops is expected to reduce carbon emissions by around 900 tonnes annually and save approximately \$220,000 each year on operating costs. This is just another way that we are helping to build a virtual solar power station, doubling Queensland's installed solar power by 2015. This initiative, together with a raft of renewable energy projects currently being rolled out throughout Queensland, is stimulating the state's emerging clean energy sector and providing new opportunities for electricians, manufacturers and a range of renewable energy support industries building a new green industry for the future.

CHAIR: Minister, I refer to page 2-9 of the Service Delivery Statement with reference to renewable energy. Will the minister please update the committee on the Daintree Green Power Options Study and how the government is working to ensure the protection of this beautiful part of my electorate?

Mr ROBERTSON: Understanding your specific interest in this matter, member for Cook and Chair, the Queensland government is committed to protecting the important natural values of the Daintree. As such, we have put in place the 'Electricity supply in the Daintree region policy, which prohibits the supply of electricity to the Daintree region using a conventional supply network. The purpose of the policy is to restrict further development and thereby protect this important region.

The Queensland government, through the Department of Environment and Resource Management, is currently buying back environmentally significant allotments in the Daintree to reduce the amount of privately owned freehold land. To date, more than 250 out of the 400 lots targeted by the buyback program have been purchased. This commitment to the land buyback scheme means that any changes to the electricity supply policy could only be considered once the scheme is completed. The central issue is the protection of the unique environment in the Daintree region. In considering any alteration to the policy, the Queensland government will also need to be satisfied that the Daintree was adequately protected by development and environment control measures.

I am aware that the Cairns Regional Council's Daintree Green Power Options Study, dated September last year, has investigated the extension of the existing Ergon supply network and the new isolated supply networks with local generation. The Queensland government is committed to supporting clean energy options where they are appropriate and, as such, the Office of Clean Energy has offered

assistance to residents in the region to explore renewable fuel options. I have asked the chief officer of the Office of Clean Energy, Greg Nielsen, to meet with residents' representatives in the Daintree to fully understand the region's unique characteristics and challenges and discuss innovative options that might be developed, including the application of current government programs.

To help address these challenges unique to our vast state, the Queensland government is investing some \$5 million in the clean energy strategy for isolated and remote communities. The objective of the strategy is to achieve a 20 per cent reduction in electricity consumption in selected communities in North Queensland. Based on early energy audit results to date, this objective is largely being achieved and outcomes of the strategy will be reviewed later this year.

CHAIR: I refer to page 2-4 of the Service Delivery Statement with reference to funding to help streamline approval for regulatory processes and upgrade tenure management systems. Can the minister advise the committee why it is an important step in encouraging and supporting the growth of the mining sector?

Mr ROBERTSON: The mining and petroleum industry has the potential to continue to attract millions of dollars in investment and create hundreds of thousands of jobs in Queensland. That is why in January last year our government announced an initiative to streamline exploration and development approvals processes, thus making Queensland a more attractive investment option. The streamlining approvals project involved a complete review of all approval processes for mining and petroleum exploration. The report resulting from the review was put to an industry working party for consultation late last year and was subsequently endorsed with recommendations about how the regulatory approval regimes could be made more efficient and government agencies could more effectively regulate tenure conditions. Both the government's report and industry's response focused on a need to review and upgrade the current operating model with modern technology to allow better information sharing and online tracking systems.

Another key initiative has been the implementation of a case management model whereby a dedicated case manager is allocated at the appropriate level depending on the nature and number of complex issues involved.

CHAIR: Minister, I am sorry, but time has expired. That concludes the examination of the estimates for Queensland Mines and Energy. The committee will adjourn for morning tea and the hearing will resume at 10.15. We will then examine the estimates for Natural Resources.

Proceedings suspended from 10.00 am to 10.15 am

CHAIR: The Estimates Committee C hearing is resumed. We will now examine the estimates for Natural Resources. The question before the committee is—

That the proposed expenditure be agreed to.

The first period of questioning is allocated to non-government members. I call the member for Callide.

Mr SEENEY: Minister, in previous years I have raised concerns about the apparent lack of purpose of the Office of Climate Change. I notice that in this year's budget documents there is no mention of the term 'Office of Climate Change', rather one of the four departmental services is now called climate change and it has an expenditure of some \$30 million in the budget documents. Why was it considered necessary to make the former head of the Office of Climate Change an assistant director-general under this new service structure?

Mr ROBERTSON: I think this is a question best asked of my colleague. The Office of Climate Change is not part of my portfolio responsibilities.

Mr SEENEY: So how does that work? How are the responsibilities divided up within the department? We were given the departmental structure and it shows that you have a director-general and five either assistant directors-general or associate directors-general and one of them is an assistant director-general for climate change.

Mr ROBERTSON: Perhaps it is best if I ask my director-general to respond.

Mr Bradley: In relation to that question, the establishment of DERM brought together the Environmental Protection Agency and the Department of Natural Resources and Water. As part of that process, there was a need to standardise our nomenclature in relation to the position titles of the Senior Executive Service and that is the process we went through back in the middle of 2009. As part of that process, the head of the Office of Climate Change was, in a changed title, renamed assistant director-general to achieve perfect consistency with others of a comparable level in the agency. That was really a process of standardising titles within the agency.

In relation to the Service Delivery Statement that the member refers to, there are four service priorities across the agency—climate change, land, water and environment. This recognises that one of the reasons for establishing a single agency—the Department of Environment and Resource

Management—was to try to achieve synergy across policy sciences and service delivery between the former responsibilities of Environment and Resource Management. For that reason, they are defined as service priorities. Climate change is an exclusive priority. It does map very closely to the Office of Climate Change which continues to be called the Office of Climate Change, but it is defined as a separate service priority as opposed to environment, land or water.

In relation to those four service priorities, we have recognised that different parts of the agency which are under the responsibilities of different assistant directors-general all contribute in some way to different areas, so multiple assistant directors-general contribute towards the environmental outcomes and multiple assistant directors-general contribute towards the water outcome. I trust that goes to the issue about the title and service priorities within the document.

Mr SEENEY: So, Minister, which of the assistant directors-general report to you?

Mr ROBERTSON: Under my responsibilities, I have land and water. The other two—which are climate change and environment—are with my colleague, the Minister for Climate Change. I appreciate that this is the first year under the new structure so these kinds of questions will arise from time to time.

Mr SEENEY: Minister, can I go back to the issue of the monitoring of the coal seam gas activities, and I refer to the \$2.2 million that has been allocated to the Water Commission to monitor the cumulative effect of water extraction. How can landholders have any confidence that the Water Commission is an independent body sufficiently skilled and qualified to perform that task of monitoring the cumulative effects of water extraction that are associated with coal seam gas?

Mr ROBERTSON: The approach that I took to this issue was to try to find the right balance between ensuring that landholders had confidence that there was an independent and technically skilled body to answer and investigate some fundamental issues that have to date been put on the table, and will no doubt continue to be put on the table, and not wanting to create a new body because we have received some criticism previously and because that body would be accused of being bureaucratically inefficient and expensive. That is why I believed it was appropriate that the Queensland Water Commission be selected to undertake this work. If you look at the legislation that supports the creation and operation of the Queensland Water Commission, I believe it has sufficient independence to meet the standard required by landholders to ensure that the questions they ask are answered. The additional funds that will be provided to the QWC are for them to invest in additional technical expertise, particularly in the area of assessing the impact of coal seam gas extraction and water extraction from adjacent aquifers.

As I said, we have tried to strike the right balance between ensuring there is an independent body there that has been resourced and that can do the technical work required and at the same time ensuring that it is a lean body and there is no additional expenditure in the creation of a new body from scratch which would divert attention away from the task at hand.

Mr SEENEY: The question, Minister, though is how on earth can landholders and those concerned about these issues have confidence that the body has the expertise, given that the performance of the Water Commission to date in South-East Queensland would not inspire that sort of confidence? How on earth can a body that was set up to deal with water restrictions in urban South-East Queensland be an appropriate body to monitor the cumulative impacts of the coal seam gas industry on the Great Artesian Basin?

Mr ROBERTSON: On the contrary, I disagree with your view about the performance of the Queensland Water Commission. The release today of the South East Queensland Water Strategy gives a very good indication of the extent and expanse of work that they undertake in terms of—

Mr SEENEY: How many geologists do they have? How many people do they have who understand the Great Artesian Basin?

CHAIR: Member for Callide, please!

Mr ROBERTSON: As I have said in a previous answer, the reason there is an additional allocation going to the QWC is for them to get the necessary technical expertise on board to address the very question that you have asked. There is already in-house expertise in some of the areas that landholders have expressed concern about. What we have done is recognise that there is already some in-house expertise with the QWC—indeed, with the department—but that they will also need additional expertise relevant to the very question that you have asked. That is why there is an appropriation before us at the moment.

Mr SEENEY: Minister, how independent is the Queensland Water Commission, given that a number of its services are provided by the department? Can you indicate what involvement you as minister have with the Queensland Water Commission?

Mr ROBERTSON: Ultimately, the QWC report to me but as for directing them in terms of outcomes, they are tasked to conduct their activities in a very rigorous fashion and they have legislative backing for that. In terms of the challenges that are before the people that we are both concerned

about—that is, landholders—the issue at hand was whether there was a body they could go to that would extensively and exhaustively investigate issues such as the interaction between coal seams and adjacent aquifers.

Mr SEENEY: It has to be independent.

Mr ROBERTSON: But it is.

Mr SEENEY: That is the crux of my question. Can it be seen to be independent?

CHAIR: Order, please! Member for Callide, please!

Mr SEENEY: We don't need any assistance, Chair. We have done this lots of times.

CHAIR: Sure, and this time we are going to do it properly. You have asked your question and the minister gets his three minutes to answer it.

Mr ROBERTSON: The QWC will be tasked with various pieces of work to be done to answer some of these fundamental questions. They then go off and do their work, without interference by me as minister. Once they have completed that work, they hand that work over to me as minister and we undertake the necessary action, whether it be legislative change, whether it be regulation on companies, whether it be whatever. That is how it works. If you are suggesting that they will be subject to political interference, then I reject that. I suspect that there is no evidence that you can point to of political interference in the past, and certainly as long as I am minister there will not be political interference with the operation of the QWC going forward.

Mr SEENEY: I put it to you, Minister, that the role you are envisaging will be impossible unless the organisation is seen to be independent from the government. It is that independence from the government that is critical to the success of this role. How can the Water Commission as it currently stands be seen to be independent from the government, given that a number of its services are provided by the department itself?

Mr ROBERTSON: What I will do is invite you in 12 months time to pose the very same question to me after they have performed their role in this regard over that 12-month period. What I am here to say is that I recognise there was a call by landholders for a level of independence in the work conducted on some of these fundamental questions. It is my judgement as minister that the QWC can adequately perform that role. I also acknowledge that if I had come here today having established a new body from scratch then we would be looking at a much larger appropriation and I suspect I would be subject to a lot of criticism from you about wasting money establishing new bodies when we had in place already an independent body called the QWC. Sometimes, member for Callide, I just cannot win with you.

Mr SEENEY: I do not think so.

Mr ROBERTSON: I know so.

Mr SEENEY: No, I do not think so.

Mr ROBERTSON: You and I have been at this game for so long. I always know the second question that you have got behind you, and that would have been it.

Mrs PRATT: Has there been any failure to report or any delay in reporting any issues relating to the operation of UCG and these pilot plans which require immediate reporting? If there has, what has been the government response to those? Has an inspector appeared on site immediately or was it left to the UCG company to report them?

Mr ROBERTSON: As this is an operational matter I will ask my director-general to provide you with an answer in that regard.

Mr Bradley: In relation to underground coal gasification there are, as the member would be aware, three trials in place at the moment testing the appropriateness of underground coal gasification. The environmental side of the agency has undertaken a range of interactions with those proponents. On 23 March this year we inspected the site of Cougar Energy near Kingaroy and observed no noncompliance. We were not advised at that point of any exceedences in monitoring the groundwater conducted by the company.

I inform the member that, as of yesterday afternoon, Cougar Energy entered into discussions with DERM in relation to results from testing they have undertaken at their facility. They have indicated to our officers that there are water quality issues being detected from their tests in relation to particular chemical compounds. But they are not confident that those tests are accurate or valid given the sampling procedure that was done.

Mrs PRATT: Was an inspector sent out?

Mr Bradley: To that end, DERM staff along with independent consultants engaged by the company have gone to the property today to undertake further samples and confirm the situation in relation to water quality testing at that facility. They will be reporting back this afternoon. In the last 24 hours there have been recent developments and interaction with my officers. I am yet to receive a report which indicates that there are validated testing results indicating exceedences but we will be pursuing that with our officers as soon as they are back from the field today.

Mrs PRATT: When was this picked up, when did it occur and when was it actually reported to the government? I want to know whether there was any delay.

Mr ROBERTSON: I am being somewhat patient. It was acknowledged that this is quite properly in the province of my colleague the Minister for Sustainability. I am happy for my director-general to answer this question, but there is a limit to how far I think we should go into the estimates of my colleague. I do not think we should go too much further, Mr Chairman.

Mrs PRATT: It is difficult to comprehend who gets what, where and how.

CHAIR: Minister, it is up to you if and how you answer the question.

Mr ROBERTSON: And understanding exactly what has just been said by the honourable member, I am prepared to let my director-general answer that question.

Mr Bradley: As I was alluding to in the earlier answer, we do not have the full particulars at this stage in relation to these issues. In a real time sense we are engaging with the company about their own testing results. The first stage in that process in terms of our reaction to yesterday's discussion has been to make sure that we undertake further testing today in relation to that facility. Notwithstanding the portfolio responsibilities, I am not in a position today to be able to give you the answer to that question, but we are urgently engaging with the company on the ground and independent consultants are also involved.

Mr SEENEY: I refer to the issue of the protection of prime agricultural land and the discussion paper—I think the government term it—which was released by the government. What is the time line for the government to take some action rather than just talk about the concept of protecting Queensland's prime agricultural land?

Mr ROBERTSON: As you quite rightly point out, member for Callide, a discussion paper has been out for some time. It is fair to say that this is a complex issue. There is no issue about the government not wanting to resolve this issue, but resolving it in a way that is practical, for all intents and purposes, for the interests of agriculture as well as mining. Finalisation of that process is close. Obviously, that will receive consideration by cabinet. It is not my practice to announce the forward cabinet agenda, but it will not be too long before we see the finalisation of that process.

It has been complex. I think the end result will demonstrate that the time taken in consideration of this important matter will be worthwhile in terms of the quality of product that is eventually released. It has required a lot of cooperation across a range of departments—my own as well as the other part of DEEDI dealing with primary industries and planning responsibilities that lie with my colleague Sterling Hinchliffe.

Mr SEENEY: Where is the process at at the moment in terms of prime agricultural land? The time for consultation on the discussion paper is over, is it?

Mr ROBERTSON: Yes.

Mr SEENEY: Is the legislation being prepared?

Mr ROBERTSON: As I said, it is a matter that will go to cabinet. The consultation process has been completed. Where we are at is that a submission is being prepared for cabinet consideration.

Mr SEENEY: Submissions by the departments?

Mr ROBERTSON: By departments.

Mr SEENEY: Will there be further consultation with stakeholders? That is the question I am getting at? Will there be a draft? Will there be a green paper? Will there be a proposition before it goes to legislation?

Mr ROBERTSON: Because it is a matter that will go to cabinet I cannot pre-empt a decision of cabinet. It is envisaged that what would be released would be a draft of a planning policy for final consideration.

CHAIR: Time for non-government questions has expired. I refer to page 3-181 of the Service Delivery Statements and I note that the Water Services Association of Australia released a report this morning. Can the minister please advise the committee how well South-East Queensland is positioned in terms of projected water demand increases outlined in the report?

Mr ROBERTSON: I thought the timing of the release of this report by the Water Services Association of Australia was particularly relevant to today's proceedings given that later in these proceedings I will be formally releasing and tabling the South East Queensland Water Strategy. What this report highlights is the value of this government's clear vision and foresight for water security in South-East Queensland.

The report predicts that Australian cities could use an additional 600 billion litres of water per annum by 2026 growing to 1,000 billion or one trillion litres of water per annum by 2056. The report highlights three key points as fundamental to the response to this growth in water demand. One is the necessity of having a range of watercourses including climate resilient sources like desalination and

purified recycled water. We have that now. We need to also encourage responsible water consumption. We have achieved that with the help of all South-East Queenslanders and our permanent conservation measures. They recognise the need for a plan for water security into the future. Today I will release such a plan which outlines the blueprint for water security in South-East Queensland for the next 50 years.

The report points out that the strong actions taken by this government in building the water grid along with today's release of the South East Queensland Water Strategy are exactly the kinds of actions any responsible government should be taking. The report points out that climate resilient sources, particularly purified recycled water and desalination, are vital for the security of a city's future supply.

While it notes there will probably be significant advances in technology over the next 50 years, desalination and purified recycled water are the only proven technologies that can deliver a climate resilient water supply. As I said before, they are an insurance policy without which our water security would be at the mercy of variable rainfall.

The importance of having detailed water supply plans in place and regularly updating them was also highlighted by the Water Services Association of Australia. That is why an update will be provided on progress under the South East Queensland Water Strategy each year with a full review every five years.

Having access to a range of different supply sources and linking them is identified in the Water Services Association's report as essential. This has already been delivered through our South-East Queensland water grid. Of course, water efficiency is also key to water security. On this front, I wish to congratulate the people of South-East Queensland who have so diligently maintained average water consumption well below the target of 200 litres per person per day.

Under the South East Queensland Water Strategy permanent water conservation measures and efficiency requirements of big water using businesses will remain in place. Today's report by the Water Services Association builds on Infrastructure Australia's praise of the South-East Queensland water grid.

Ms van LITSENBURG: I refer to page 3-181 of the Service Delivery Statements and I note the release of the South East Queensland Water Strategy by the minister today. Can the minister please outline how the strategy aims to ensure ongoing water security for this growing region?

Mr ROBERTSON: The Queensland Water Commission's South East Queensland Water Strategy is a 50-year plan to ensure water is managed on a sustainable basis to provide secure and reliable water supplies now and into the future. The strategy highlights just how far we have come in relation to water security. Just three years ago our dams were at 17 per cent and our region was in the grips of a one in 100-year drought—the millennium drought. Today our water storages are close to full—around 95.5 per cent combined—thanks to excellent rains over the past year. But far more important than that, we now have in place a \$7 billion water grid which means that our supplies are secure for more than a decade into the future.

Crucial to all of this, residents have changed their attitude towards water use I believe forever. People are now using even less than the 200 litre per person per day target set under the permanent water conservation measures. This change in water behaviour has changed our region's water future and the strategy lays out a plan to keep that future secure.

The strategy identifies the soonest likely requirement for a new supply source is in 10 years time—in 2020-21. However, under the strategy, the commission has set a target of maintaining average personal consumption of 200 litres a day across the south-east. If the community maintains this target the next new major supply source will not be required until after 2027—17 years away. Currently, the average water consumption in South-East Queensland is well below target 200 at 154 litres per person per day. If average consumption levels stay this low, it is even possible that the next new supply source could be pushed back to 2032 and beyond.

We will continue to educate people across the region about the need to adopt and maintain best practice water use and the impact doing so can have on our region's water supply future. We will also continue to send the message to industry and business that they all have a role to play by adopting and maintaining improved water efficiencies. The reality is, even with sustained low water use, we will eventually need further supplies given future population growth and the knowledge that the effects of climate change, whilst not yet quantifiable, are inevitable.

That is why the strategy outlines a range of options for possible future deployment to ensure a secure water supply for generations to come. The strategy explains how we will be prepared for a drought like never before and highlights investigations which are continuing to identify feasible alternative new sources such as stormwater harvesting and local recycling schemes, particularly in new urban development areas—initiatives which could defer the need for further desalination plants further into the future.

This is a strategy that empowers the community to make wise water choices for our region's future. It provides the blueprint for the next 50 years that allows us to consider the best options available to provide ongoing water security into the future.

Ms FARMER: I refer to page 3-181 of the Service Delivery Statements. Can the minister advise the committee about how the SEQ water grid is helping provide Australia's most secure water supply?

Mr ROBERTSON: Thank you, member for Bulimba. In tabling the South East Queensland Water Strategy, South-East Queenslanders currently have Australia's most secure water supply thanks to our South-East Queensland water grid.

CHAIR: Minister, can you seek leave to table the document, please?

Mr ROBERTSON: I seek leave.

Leave granted.

Mr ROBERTSON: Thank you, Chair. Before the state government built the water grid, councils were solely responsible for urban water storage and distribution. As a result of the millennium drought, the state government identified the need to take over bulk water infrastructure from councils and provided \$2 billion in compensation for that infrastructure. We then invested \$7 billion in the water grid to deliver infrastructure necessary to provide water security for South-East Queensland's growing population.

Climate resilient sources in the water grid not only allow us to increase the yield of our existing dams; they are a drought insurance policy. It means that we are prepared for the next drought and no longer totally reliant on rainfall for our water supply. It is easy to say that we do not need an insurance policy when our dams are full, but it took weeks of record rainfall to get us here and just 2½ years ago, as I mentioned earlier, our dams were below 17 per cent. Our water strategy released today illustrates the foresight of our 50-year plan, indicating that the next major supply infrastructure is not likely to be needed until about 2020-21 and potentially, as I mentioned earlier, not until 2032 or later.

A recent review of urban water security strategies commissioned by Infrastructure Australia and prepared by PricewaterhouseCoopers put South-East Queensland at the front of the pack in terms of water security in Australia. The report found that supply capacity in South-East Queensland was 50 per cent more than the current annual water demand, providing a water security buffer of some 160,000 megalitres per annum. In contrast, other states were found to be at negative supply or equal to current demand at best, with the exception of Sydney, which has capacity of 20 per cent above demand.

The South-East Queensland water grid has a current capacity of 480,000 megalitres a year, of which around 25 per cent is related to the desalination plant and purified recycled water infrastructure. Let us compare that to just a few years ago, when our capacity was 350,000 megalitres a year, of which only five per cent was sourced from climate resilient sources. The combination of climate dependent sources—that is, dams and rainfall—and climate resilient sources—desalination and purified recycled water—means that South-East Queenslanders have unprecedented water security regardless of future weather patterns.

Mr MOORHEAD: Minister, I refer to page 3-163 of the SDS, and I ask: what is the government doing to protect groundwater resources during the expansion of the CSG industry in the Surat Basin area?

Mr ROBERTSON: The Queensland government is committed to sustainable growth of the CSG to LNG industry alongside our important agricultural industry in regional Queensland. From the outset of CSG to LNG development, the state government has introduced a regulatory framework for its CSG development as tough as any in the world. Before environmental authorities are issued, the proponents will require approval of the groundwater monitoring and reporting plan to forecast impacts on groundwater and ensure (1) that impacts on landholders' bores are avoided or made good, with impact triggers set at two metres or five metres depending on the aquifer; and (2) environmental impacts on groundwater dependent ecosystems are avoided, with impact triggers on springs set at just 0.2 of a metre. We have also banned the use of evaporation ponds except in the most exceptional circumstances.

Environmental authorities will be conditional on use of best practice design and construction of CSG water storages, including the lining and monitoring for any leaks. The impact of each proponent on groundwater levels will be regulated not just on its own but based on the cumulative effect of the whole industry. An independent regulator will regulate impacts on landholders' bores to ensure landholders are not disadvantaged. Environmental authorities will be conditional on management of any risks from the use of hydraulic fracturing practices. The BTEX chemicals, sometimes used in the United States, are not used in Queensland. We will provide transparency on bore performance, water quality and any activities in CSG well operations.

Under the Environmental Protection Act, DERM can prosecute CSG producers for serious breaches of operating conditions, impose requirements for detailed environmental assessment and impose clean-up requirements. If CSG operators do not comply with the legislation, the government can

take enforcement action, including penalties of up to \$200,000 or two years imprisonment for an individual and \$1 million for a company. The state government understands the importance of the agricultural industry to Queensland, and this is why we have established stringent compliance standards and an independent framework to ensure Queensland's environmental values and water resources will not be adversely affected by CSG production.

Ms FARMER: I refer to page 3-181 of the Service Delivery Statements with reference to the delivery of the Seqwater institutional water reforms, and I ask what impact these reforms have had on water supply in the south-east corner and what the facts are in relation to recent water price increases announced by council owned distribution retail businesses.

Mr ROBERTSON: The Queensland government has delivered South-East Queensland water reforms to streamline the region's previously complex water supply arrangements. We have reduced 21 entities down to just six businesses, with the South-East Queensland Water Grid Manager consolidating the most fragmented industry structure of any major metropolitan region in Australia. We have done this because when our state was hit with the worst drought on record the massive council owned water entities were unable to provide water security for our region and the government was required to step in to build the water grid and drought-proof South-East Queensland.

These reforms are about maximising the value of the \$7 billion water grid and providing a more efficient water supply network through a model that was endorsed by the South-East Queensland mayors. The mayors made specific requests with regard to formation of three distributor-retail entities to be owned by councils, so under the reforms a clear line of responsibilities has been set. The state government is responsible for bulk water supply across the water grid delivered through three bulk water businesses—Seqwater, LinkWater and WaterSecure—whose operations are overseen by the South-East Queensland Water Grid Manager.

The water grid connects bulk water supplies, treatment facilities and storages through a network of two-way pipelines which move water across the region to ensure a secure water supply for all residents. We provide this bulk water to three council owned distributor-retail businesses which are responsible for the direct supply of water and wastewater services to residents and, as such, they set the price of water in their local government areas. When it comes to those prices which individual residents are charged, state government bulk water charges make up less than half of the total cost of water set by these businesses and less than a quarter when council sewerage charges are also added. Of the increases in water charges announced by the businesses last month, the majority of the increases were actually due to rises in the council related component of the charge.

There is no question that providing water security comes at a cost, but the state has been upfront about our costs. We have set a 10-year price path for bulk water prices, with increases capped at around \$1 a week for the average household to ease pressure on families who are doing it tough. We have made it clear that every cent of bulk water charges goes towards the \$7 billion we have invested in the water grid. People know what they are paying for when it comes to bulk water charges, but questions remain about what increased charges issued by council owned businesses are for and what councils will be doing with the dividends and payments they receive from those businesses. We have been upfront about what the water grid is delivering, and we are keen to see councils also live up to their end of the bargain.

CHAIR: Minister, I refer to page 3-158 of the Service Delivery Statements and the \$1.5 million in funding to help expand the wild river rangers program. Can the minister advise the committee how this program is helping build employment opportunities for Indigenous communities in the cape and the gulf and how it is helping to provide a career development for Indigenous employees?

Mr ROBERTSON: Thank you, Chair, and I place on record my appreciation for your assistance in this particular area and of the interest of your electorate in this regard. Some 27 wild river rangers are currently employed with Indigenous organisations across 10 communities in Cape York and the Gulf of Carpentaria including the northern peninsula area, Aurukun, Mapoon, Napranum, Pomppuraaw, Kowanyama, Chuulangun, Cardwell, Normanton and Burketown. A contract with Aurukun council will soon increase this to 30 rangers. The rangers form part of a strong and stable Indigenous workforce supporting livelihoods and increasing the skill base of the local people. Our government is determined to see this program continue to expand, and that is why we have provided \$1.5 million in this year's budget to fund another 10 rangers this year as we continue to work towards our commitment to employ 100 wild river rangers across Queensland.

The 10 rangers to be employed during 2010-11 will be engaged through the state government and work with local Indigenous organisations such as Indigenous local governments and Aboriginal corporations. This has been the approach we have taken throughout the entire program and one which has been successful. The Indigenous Wild River Ranger program continues to provide important environmental services across northern Queensland. The rangers care for Queensland's world-class wild rivers and actively contribute to developing a natural resource management economy for remote parts of the state.

The rangers promote the protection of the natural values of river systems by preventing wildfires, invasive weeds and feral animals, reducing land disturbance and water pollution, and supporting wildlife management and recovery. There is also a strong emphasis on providing relevant and appropriate training, mentoring and support to rangers and their communities to build their capacity to be self-governing. Rangers also learn from and share their knowledge with many different people, including elders, traditional owners, other rangers, land and sea management groups, local community members and students. The program has reduced feral pig predation of turtle nests in some key areas of the western cape from 100 per cent to less than 16 per cent.

The wild river ranger program has increased Indigenous access to and management of traditional land and sea country, and the wild river ranger program increases the skills and capacity of Indigenous Queenslanders. Since the program's inception, rangers have completed over 150 accredited training units required for certificates II and III in conservation and land management. From my own personal experience during my recent trip along with you, member for Cook, to the Wenlock and other meetings with the rangers, it is obvious that they bring a real passion to the job that is truly infectious. It is a pleasure to experience the joy and enthusiasm these Queenslanders bring to caring for their environment.

CHAIR: Thank you, Minister.

Ms van LITSENBURG: I refer to page 3-161 of the Service Delivery Statements where it states that the government has reached an agreement with stakeholders to implement the site valuation methodology for valuations in 2011. Can the minister outline the benefits of this change for non-rural land and why rural land will continue to be valued under unimproved methodology?

Mr ROBERTSON: Thank you. Earlier this year the Premier announced significant changes to our land valuation system to provide greater certainty of the way valuations are delivered and to align Queensland with other Australian states. The most significant initiative is the move to adopt a site valuation methodology for non-rural land for the 2011 valuation. Site value is the market value of the land in its present condition without deduction for invisible improvements such as filling, clearing and drainage. It does not include structural improvements such as houses, sheds and buildings. PricewaterhouseCoopers has been engaged to provide a comprehensive analysis of the options and approaches available for introducing site value and other valuation reforms. A valuation reform reference group has also been established comprising major stakeholders.

CHAIR: Sorry, Minister, but time for government questions has expired. It is now time for non-government members. The remaining time of this session will be split evenly for 20 minutes each for non-government and government questions.

Mr SEENEY: Thank you, Mr Chairman. Minister, can I just go back and clarify this issue of the division of responsibility within the Department of Environment and Resource Management, because I do not want to have a situation where there is buck-passing between the ministers and we cannot get an answer to the question. Minister, the department's budget is split into those four areas—that is, climate change, environment, land and water. If you look at the Service Delivery Statements, climate change has two per cent of the staff budget and three per cent of the revenue budget. Minister, who makes those decisions in the department? Surely there must be somebody who makes the decision, for example, that a part of the department that has two per cent of the staff and three per cent of the expenditure deserves its own assistant director-general. Who makes those decisions? Who should that question be answered by?

Mr ROBERTSON: I suspect by my director-general.

Mr Bradley: Thanks, Minister. In terms of those issues in terms of the departmental arrangements into those service priorities and the allocation of resources, it is important to recognise that the climate change aspect of DERM's responsibilities has extremely significant priority within government in terms of overall expenditure. Climate change represents a key aspect of the title of the Minister for Climate Change and Sustainability, reflecting the overall exposure for Queensland, particularly its agricultural and tourism sectors, if climate change is not appropriately responded to, and there is a significant exposure there.

In terms of the departmental spending priorities, the department's climate change investments are explicit and transparent. Under the government's ClimateQ program, which was released in 2009 and which sets out an agenda across government of \$196 million, within the agency we have significant resources there in terms of a Queensland Climate Change Centre of Excellence, which represents a good portion of those staff—indeed, almost the majority of those staff referred to—in relation to the Office of Climate Change. This includes people who are experts in climate change science. They have close working relationships with groups like the Hadley Centre in the United Kingdom and strong scientific backgrounds in looking at what are the emerging trends in relation to climate science. So that investment has been one that the department has quite rightly prioritised.

We do distinguish it as a service priority, recognising that it does not fit neatly underneath land, water or environment. So that is why it is separated in the way that it is. But certainly, the allocations of resources against that are approved as part of the budget process considered by the executive as part of that process and are part of the appropriation bills before parliament.

Mr SEENEY: The crux of my question, though, is why two per cent of the department's staff and three per cent of the department's expenditure justify the appointment of an assistant director-general for that particular area. Does that director-general get paid the same as the director-general who is responsible for land, for example, who has 34 per cent of the staff and 27 per cent of the revenue? That is the crux of the question. Given, of course, that the assistant director-general responsible for climate change is the Premier's husband, I think it is a very pertinent question as to who makes these decisions.

Mr ROBERTSON: What a surprise. For just for a minute there I actually thought this was about public policy rather than a personal attack.

Mr SEENEY: It is about public policy. It is about the expenditure of \$30 million.

CHAIR: Order! Member for Callide. You have asked your question. You will come to order.

Mr ROBERTSON: The answer is simply this: it is wrong to suggest that an officer's responsibilities are purely defined by the number of people who are employed in their particular division and that is the definition that you are trying to prosecute. A senior officer's responsibility is defined by many areas other than just the number of people who are employed under their direct responsibilities and that has been outlined in quite some detail by the director-general. I think a corollary would be useful in this regard—to look at the opposition front bench, for example. It is fair to say that my friend the member for Callide has a significant level of responsibility in terms of his shadow responsibilities compared to some of his other colleagues who perhaps might have difficulty filling in a workday. Do they change? Do they have different levels of allowances as opposition spokespeople? No, they do not. So it is quite wrong and quite dishonest to try to prosecute this argument that the sole determinant of an officer's responsibility is defined by the number of employees under their jurisdiction.

A senior officer's responsibilities, in this particular case, for example, has a significant component of interaction with the whole of government in terms of a climate change response that impacts on, for example, the Department of Public Works, for example, on the Department of Employment, Economic Development and Innovation and, for example, on areas such as tourism. So a much better way to define a senior officer's responsibilities is by looking at the whole of that officer's responsibilities rather than the very narrow interpretation. Lest that prosecution get up, I would hate to see the opposition frontbench have differential rates of pay based on their levels of productivity.

Mr SEENEY: Minister, I refer you to the performance statements related to this particular part of the department, which, I would suggest, are indicative of the department's output. They involve things like ensuring that papers are consistent with the Queensland government policy handbook and ensuring that statements are consistent with the cabinet handbook. How on earth does that activity justify the appointment of an assistant director-general on the same terms and conditions as assistant directors general who are responsible for the great bulk of the department's expenditure and the great bulk of the department's staff?

Mr ROBERTSON: In the first respect, this is not within my direct portfolio responsibility. But having said that, let us talk about the issue of climate change—

Mr SEENEY: No, let us talk about the government department's budget.

CHAIR: Member for Callide.

Mr ROBERTSON: The issue of climate change is, and I appreciate the opposition really do not understand this—many of them are, of course, climate change deniers so it is no surprise to me that they would pick upon this particular regard—as I have explained when dealing with the issue of climate change, every part of government has an interest in this regard. The future of our tourism industry is inextricably linked to how we manage impacts of climate change. The future of our mining industry, the future of our agricultural industry and the future of our manufacturing industry all have a significant interest in the impacts that climate change will have in the sustainability of those industries. How we as a government respond to them requires us to have dedicated resources that develop expertise that all of the government can rely on as a single point of truth, as a single resource that can assist us to look forward, as the Premier said, over the horizon in regard to the challenges that Queensland faces into the future.

For example, when dealing with the issue of energy policy, is one of the areas of government that I look to for advice the Office of Climate Change? Yes, it is. When dealing with the issue of vegetation management, is one of the areas that I go to for advice the Office of Climate Change? Yes, it is and so on and so forth. That is why it is so dishonest and smacks more of a personal attack rather than any analysis of public policy or budget interest and the approach taken by the member for Callide in this regard should be dismissed simply as that: a personal attack with no basis in terms of substantive argument in terms of how he is trying to prosecute this issue. As I have said before, it is completely wrong to analyse an officer's responsibilities and, therefore, their commensurate pay rate with the number of people directly employed by them. Public service and public policy does not work that way.

Mr SEENEY: Minister, what has no basis is the structure of the department that we are being asked to approve a budget for, the structure of a department that has been divided into four so-called service areas, each of which is headed by either an assistant director-general or an associate director-general. When do you and/or your director-general meet with those people in charge of those four service areas? When did you last meet with them and what level of direction do you give to those four people?

Mr ROBERTSON: Sorry, in relation to this particular officer who you are mentioning or generally?

Mr SEENEY: What I am trying to do is determine the relativity between the four, given that you have appointed an assistant director-general for such a small part of the department. Is that particular person under the same level of direction as the assistant directors-general who are responsible for the bulk of the department?

Mr ROBERTSON: This person is not under my direction. We have established that already.

Mr SEENEY: But he is under the direction of your director-general.

CHAIR: Order, please!. Member for Callide, I have given you a good run. The minister now has the call.

Mr ROBERTSON: I have been very patient with you. I have tried to help you by alerting you to the fact that the individual concerned is not part of my direct portfolio responsibilities. I have nevertheless tried to help you in terms of understanding the departmental structure, but it is wrong to suggest that this person is directly responsible, through the director-general, to me in terms of my portfolio responsibilities. I find it curious, I think it speaks volumes of what you are trying to do here, that we have just been through the estimates for mines and energy where there are a number of associate directors-general, each with different portfolio responsibilities, each with different staff numbers, but the one you choose to pick on just happens to be the husband of the Premier. That is why the shallowness of your line of questioning is just so apparent and amounts to nothing more than a personal attack without any foundation whatsoever.

Mr SEENEY: Who of the assistant directors-general do you meet with? Who of the assistant directors-general are within your area of responsibility and who are clearly within the areas of your colleague the minister for environment and climate change, just so that there can be no buck-passing when these questions are posed to your ministerial colleague.

Mr ROBERTSON: I meet with all of those assistant directors-general but, in terms of my portfolio responsibilities, not all of them have responsibility through the director-general to me.

Mr SEENEY: So who directs the assistant director-general? Who directs this particular—

CHAIR: Order! Member for Callide. Order, please! You will come to order.

Mr SEENEY: Who directs this particular individual?

CHAIR: Member for Callide.

Mr ROBERTSON: The fundamentals of public administration suggests that the person who is actually responsible for the associate directors-general is the director-general. That is government 101, I would have thought.

Mr SEENEY: The director-general is here. Can the director-general answer when he last met with this particular assistant director-general? On what instructions?

CHAIR: Order! Member for Callide. Order, please!

Mr ROBERTSON: I am sure he can.

CHAIR: Member for Callide, by continually interrupting the minister's answer the member for Callide is not advancing the work of this committee. I would ask the member to allow the minister to answer the question without interruption.

Mr SEENEY: You should have that written out.

CHAIR: That is your first warning. Minister.

Mr ROBERTSON: Thank you, chair. I am sure the director-general can answer that question, but I can actually answer the question for him. He meets with his associate directors-general on a regular basis based on his needs as the person who is ultimately responsible for the department.

Mr SEENEY: Minister, could the director-general advise the committee what instructions were given to the assistant directors-general in relation to the—

CHAIR: Member for Callide, we have a point of order.

Mr MOORHEAD: The question being posed by the member is actually directed not to the minister but to a public servant and, insofar as it is, it is out of order.

Mr SEENEY: Sorry, I cannot hear that.

CHAIR: Member for Callide, you will refer all of your questions directly to the minister, please. It is up to the minister to decide if he wishes to refer the answer to the director-general or any other person.

Mr SEENEY: I am certainly aware of that procedure. That is exactly what I did when I said to the minister can the director-general advise us then when he met with the assistant director-general who we are talking about in regard to that expenditure of that \$30 million that is part of the budget documents that that particular assistant director-general is responsible for.

Mr ROBERTSON: I am advised by the director-general that he meets with his associate directors-general at least on a weekly basis as part of executive management group meetings—at least once a week.

Mr SEENEY: Okay. As much as I would like to pursue the issue, I will move on, given that time is of the essence. Minister, you have tabled a South East Queensland Water Strategy a few moments ago. Section 5.4.2 relates to dams and weirs and explores the issue of either constructing new dams and weirs or augmenting existing dams and weirs. A notable exception from that particular part of the strategy is the augmentation of Wivenhoe Dam—the use of the extra storage that is available in Wivenhoe Dam. Why has the government chosen to ignore the most obvious opportunity to boost the water supply available to South-East Queensland through increasing the water supply storage area within Wivenhoe Dam?

Mr ROBERTSON: The simple reason is that we have not. It may not be in that section, but it is a consideration of the QWC as a project that requires further analysis.

Mr SEENEY: So that proposition to adjust the storage level of Wivenhoe Dam is part of the government's water strategy that has been released today? It has been considered for so many years. It seems to be something of a puzzle as to why a decision has not been made about it, given that we face the real opportunity to store extra water there in the near future.

Mr ROBERTSON: I am advised that the QWC, in conjunction with Seqwater, has already commenced investigations into the extent to which the full supply level of Wivenhoe Dam could be raised, so that kind of work is underway and we await the results of those investigations. I should say it is not government policy, it is work being conducted by QWC. Once that work is completed the government will then determine whether it would be a project that would go forward and when that would occur. I have an open mind. I have no preconceptions about this. I await the result of QWC's work. It is mentioned towards the end of the report in the various actions that will be undertaken by the QWC going forward.

Mr SEENEY: I refer to page 71 of the capital statement that indicates another \$90.7 million will be spent by the manufactured water authority. Is this \$90.7 million extra money that is being spent on the disastrous Tugun desalination plant and how much more money is the government going to put into that project before it takes final delivery?

Mr ROBERTSON: It is not a disastrous project whatsoever. It produces water which is used by the people of South-East Queensland, in particular the Gold Coast.

Mr SEENEY: Page 71 of the capital statement indicates \$90.7 million will be spent on the bulk water authority. Surely it is not being spent on—

CHAIR: Member for Callide!

Mr SEENEY: I am being of assistance. Surely it is not being spent on the recycled water plants because they are not working, they are standing there idle.

CHAIR: Order!

Mr SEENEY: So it must be being spent on the desalination plant.

CHAIR: Member for Callide, I ask you to cease interjecting.

Mr SEENEY: I am trying to assist.

CHAIR: And I am asking you to cease interjecting and I am warning you for a second time.

Mr ROBERTSON: I will ask Keith Davies to provide assistance in this regard.

Mr Davies: I am the Chief Executive Officer of WaterSecure, the bulk authority that was just mentioned looking after the western corridor and the desalination plants. The figure that you refer to as the capital spend is not linked to the desalination plant. It is the remaining expenditure required to complete the assets of the western corridor scheme. So there is no mention in there of the extra cash for the desal plant at all.

Mr SEENEY: I will pursue the issue in the next session.

CHAIR: The time for non-government questions has expired. It is now time for government questions. I refer to 3-159 in the Service Delivery Statement and the funding in this year's budget to continue the government's program of protection of high value native regrowth. Can the minister advise how much vegetation is now being protected under the new vegetation management laws introduced by the government last year?

Mr ROBERTSON: I am pleased to say that thanks to legislation introduced by this government over \$80 million hectares of land in Queensland is now protected from broadscale clearing by the Vegetation Management Act 1999. We successfully ended broadscale clearing of remnant vegetation in December 2006. This has protected around 70 million hectares of wooded ecosystems from loss of biodiversity and land degradation resulting from inappropriate clearing.

In response to the continued high rate of regrowth clearing shown, and the government's priority to protect the Great Barrier Reef, I introduced a moratorium on clearing endangered regrowth vegetation. During the moratorium we consulted with key stakeholders on workable regrowth protection measures and the new regulated regrowth provisions took effect on 8 October 2009. The new regrowth laws apply to native woody vegetation within 50 metres of identified watercourses in priority reef catchments, as well as 20-year-old high-value regrowth on freehold, Indigenous and leasehold land for agriculture and grazing. The code protects an additional 1 million hectares of regrowth from clearing. About 2.3 million hectares of regrowth are subject to the code's minimum requirements and voluntary best management practices.

We are proud of our track record and our landmark laws have proven their long-term value and importance with the latest figures showing a massive 48 per cent decrease in tree clearing state-wide. This constitutes a six-fold decrease in clearing rates compared with the figures from 1988 when SLATS reporting began. It also equates to a reduction in carbon emissions of more than 36 megatonnes per year between 2002-3 and 2007-08, which far exceeds our 2003 commitment of reducing emissions by 20 to 25 megatonnes per year as a result of vegetation clearing. The New South Wales government has recognised the high quality of the SLATS science by adopting the same technology to monitor their woody vegetation in their state.

CHAIR: Member for Waterford?

Mr MOORHEAD: I refer to page 3-161 of the SDS and I ask the minister to provide an update on the on-farm water efficiency projects under the Healthy Headwaters program.

Mr ROBERTSON: The Healthy Headwaters program aims to help Queensland Murray-Darling Basin communities deal with climate change and reduce consumptive water use while maintaining their economic vibrancy. The on-farm water use efficiency component of this program is being delivered by the Department of Environment and Resource Management. Up to \$36 million has been provided by the Australian government to assist surface water irrigators in the Condamine, Balonne and Border rivers. The project's \$11.5 million first round is open to applicants until 30 September this year. It is anticipated that the next round will open in February 2011 and offer assistance of up to \$17.7 million. A considerable range of activities may be eligible for funding. This includes improvements and reconfiguration of water storages. By deepening or dividing larger storages into a series of individual cells irrigators can minimise the amount of exposed water and reduce evaporation and seepage losses as a result. A second example could be the replacement of inefficient flood irrigation with modern and efficient lateral move or centre pivot sprinkler irrigators. Many improvements in on-farm water distribution, monitoring and evaporation limiting technologies are also eligible. Up to 80 per cent of the cost of these improvements is funded by the project.

In return for this investment the water entitlement holders return at least 50 per cent of the water savings to the environment. My department is also delivering a \$6 million support package to help support and inform investment in water efficiency and infrastructure. As part of this support package \$1,500 grants are available for irrigators to engage irrigation efficiency consultants. This will help in making the right decisions about more efficient and productive infrastructure. Irrigation extension officers will also be placed in Goondiwindi and St George to provide a free service to landholders interested in improving their irrigation efficiency. Industry development programs will also commence in the next couple of months.

The Healthy Headwaters program is a very real opportunity for irrigators in rural communities to reap the financial benefits of more sustainable agriculture. My department is committed to the successful delivery of this exciting and innovative project.

CHAIR: I refer to page 3-158 of the Service Delivery Statements and the review of the Indigenous cultural heritage acts being undertaken by the department. Can the minister outline why the acts are being reviewed and why it is an important step in ensuring recognition of Indigenous cultural heritage in Queensland.

Mr ROBERTSON: The Aboriginal Cultural Heritage Act 2003 and the Torres Strait Islander Cultural Heritage Act 2003 both contain a legislative requirement to review the acts after five years. This provides an opportunity for DERM to engage with the Queensland public with the aim of improving the effectiveness of the acts and providing recognition, protection and conservation of Aboriginal and Torres Strait Islander cultural heritage. The review has found that while the acts are working well, opportunities have been identified to streamline and enhance the effectiveness of the acts. The two-stage consultation on the acts was an extensive and wide-ranging process involving representatives from the Indigenous community, industry, government and third party organisations specialising in cultural heritage.

Commencing in September 2008, the first stage of the review received 69 written submissions on the initial discussion paper. Over 1,000 individual comments as to the effectiveness of the acts were provided from a broad range of stakeholders across the community. These comments were used as the basis for the development of 21 draft recommendations released for public comment in November 2009. In this second stage of the consultation process two additional representative meetings were held in Brisbane and a further 45 written submissions were received. In addition, members of the department attended a number of community meetings around the state to both explain the review process and listen to comments about the way the acts work. These meetings provided valuable insight into the importance of Aboriginal Torres Strait Islander cultural heritage by encouraging members of the community to raise any concerns they may have. They also helped strengthen ties between the government and our Indigenous communities.

A consultative committee comprising members of representative traditional owners and other stakeholder organisations played a role in developing the review's consultation strategy promoting submissions from the representative groups and facilitating meetings for the review team. It is expected that legislative change arising from the final bill will be enacted early next year.

Ms FARMER: I refer to page 3-161 of the Service Delivery Statement. Would the minister please provide an update on the progress of consultation regarding future wild rivers in the Lake Eyre Basin?

Mr ROBERTSON: Over the last 12 months the department has continued to engage with stakeholders in the Lake Eyre Basin to raise awareness of the wild rivers program and to seek stakeholder views. Through this process broad support for wild rivers has been demonstrated by the community of the world's largest closed drainage system. The consultation process is ensuring that communities of the Lake Eyre Basin have input into how wild rivers can best work given the unique rivers of the south-west. The department has consulted with a range of stakeholders, including traditional owners, pastoralists, local government and small mining companies. The department has also met with traditional owner representatives through the Desert Channels Queensland Aboriginal Advisory Group. In partnership with AgForce, consultation meetings involving landholders and other interested parties have taken place across the basin. In the Diamantina this has included Boulia and Winton; in the Cooper it has included Longreach, Blackall, Barcardine, Prairie, Caufield, Muttaborra and Aramac. Also a major forum has been held to discuss the wild rivers policy and identify areas of consensus and difference between stakeholders. This was hosted by the Remote Area Planning and Development Board, RAPAD, in Longreach. This forum brought together TEO representatives, local governments, catchment committees, AgForce, conservation interests from the Western Rivers Alliance and departmental representatives.

These types of forums are a great example of key stakeholders in Lake Eyre working together in consultation with the government to achieve positive results. Consultation led to the release of the Lake Eyre Basin Wild Rivers Policy Consultation Paper for public comment on 24 March. Submissions closed in late May. The department received 19 submissions and is currently working on a final policy recommendation. Once the policy framework for wild rivers in the Lake Eyre Basin is finalised, the Cooper Creek Wild River Declaration proposal will be released for public consultation. I expect this will be in the coming months.

RAPAD and other stakeholder groups should be congratulated for the leadership they have shown in fostering a greater understanding of the environmental benefits and economic opportunities presented by wild rivers in the south-west.

Ms van LITSENBURG: I refer to page 3-161 of the Service Delivery Statements and I ask the minister can you please outline the benefits for landholders and the environment as a result of the recent amendment to the Condamine and Balonne Resource Operations Plan.

Mr ROBERTSON: Thank you, member for Redcliffe. The recent amendment to the Condamine and Balonne ROP addresses management arrangements for the Lower Balonne part of the plan area. This was not dealt with when the initial resource operations plan was finalised in 2008. The resource operations plan for the Lower Balonne had been deferred pending a Supreme Court decision on a judicial review action regarding water entitlements associated with the Munya Lake properties in the Lower Balonne. The Supreme Court found in favour of the department on all counts. This decision allowed the finalisation of the resource operations plan related to the Lower Balonne area.

The amendments provide for the sustainable management of surface water including overland flow and the St George water supply scheme in the Lower Balonne part of the catchment. The ROP was finalised following a full review of the proposals and issues raised in submissions on the draft plan. To ensure certainty for Lower Balonne water users, legislation was introduced to state parliament to provide for the plan's finalisation. This legislation was passed as part of the Natural Resources and Other Legislation Amendment Bill in March this year. Finalisation of the ROP in the Lower Balonne has ensured that the communities of the Condamine and Balonne can maximise the benefits they receive from the vital water resource of the catchment whilst ensuring the natural assets of the area are protected. The finalised plan has put water users on the Lower Balonne on the same footing as water users in other parts of the Murray-Darling by enabling them to participate in the Commonwealth government's current \$100 million water buyback program.

The amended plan contains environmental flow rules to maximise environmental benefits for rivers, flood plains and wetlands in the Lower Balonne including the internationally recognised Ramsar listed Narran Lakes and the Culgoa Flood Plain. The flow management rules in the finalised plan allow for the real-time management of individual flow events to maximise the ecological benefits of these events for these sites. Recent significant flow events have contributed substantial inflows into the Narran wetland system and to the upper Darling River system. These events have also allowed water users to store large amounts of water in off-stream storages, and this is expected to provide a significant boost to the agricultural production in the area.

The finalisation of the ROP for the Lower Balonne means that all Queensland Murray-Darling Basin catchments now have a water resource plan and resource operations plan in place.

Mr MOORHEAD: Minister, I refer to page 3-157 of the SDS, and I ask: can the minister outline for the committee the economic and employment benefits of major water infrastructure projects taking place around the state?

Mr ROBERTSON: I thank the member for Waterford. The Bligh government has a plan, a plan which we took to the last election, for responsible economic management. We are committed to creating 100,000 jobs before the next election. Recent jobs figures have indicated we are well and truly on track. This is because we have teamed our state's needs for infrastructure which has the ability to cater for tomorrow's Queensland with the need to stimulate the economy at the grassroots level. Our massive infrastructure program is creating jobs and, in the case of my portfolio, building the water infrastructure for our rapidly growing population.

Our infrastructure program in DERM has created around 2,000 jobs from projects such as the Western Corridor Recycled Water Project; Tugun Desalination Plant; water pipeline interconnectors; the Northern Pipeline Interconnector stage 2; upgrade and renewal works on South-East Queensland's infrastructure providing water security for South-East Queensland and underpinning economic growth; the raising of the Hinze Dam wall; the Cloncurry pipeline, which has the potential to encourage and support industrial and resource development in the north-west; the Tinaroo Dam spillway upgrade and refurbishment; and enhancement of SunWater schemes vital to the continued sustainability of irrigated cropping throughout the state. It has taken strong leadership, clear foresight and conviction to develop this plan and commit to building infrastructure for tomorrow today.

Mr Chairman, I am informed that the previous witness, Keith Davies, wants to correct the record in regard to some of the information provided. With your permission, I will hand over to Mr Davies.

Mr Davies: I would like to correct the record of a statement I made earlier. The \$90 million that was mentioned is, in fact, split between the Gold Coast Desalination Plant and the western corridor. The works are not additional works. These are works that were already in the budget to complete both projects. Despite the extra works that are going on at the moment to complete the desalination plant on the rectification side, it will still come within budget as will the western corridor. These works are not additional; they are works that were already budgeted. My apologies for that error.

CHAIR: You are finished, Minister?

Mr ROBERTSON: Yes.

Ms FARMER: I refer to page 3-181 of the Service Delivery Statements. Will the minister outline what his department is doing to investigate local water supply options and how such options may provide additional security for the south-east in the future?

Mr ROBERTSON: Large climate resilient bulk water supplies are vital to provide for the needs of a booming South-East Queensland. The state government is also looking at possible sources of water including local supplies, as is outlined in the South East Queensland Water Strategy. The South East Queensland Water Strategy identifies a range of local water supply sources and the work being done to determine the reliability of such sources.

Local supplies are off-grid supplies that include water collected in rainwater tanks, stormwater harvesting, greywater and dual reticulation recycled water schemes. These local water supplies will complement supply from the South-East Queensland water grid, helping to reduce the amount that needs to be supplied from bulk water supplies and the distance over which it is transported.

The South East Queensland Water Strategy forecast that rainwater tanks and stormwater harvesting will reduce demand on bulk water supplies by about seven per cent by 2056. In calculating this reduction in demand the strategy has factored in existing rainwater tanks, including those retrofitted to existing houses during the drought response and the requirement for local supplies on all new homes and most commercial and industrial developments.

The Queensland Development Code requires new residential, commercial and industrial buildings to develop local supplies. In South-East Queensland, new detached homes must achieve water savings of at least 70,000 litres per year per home, whilst terrace and town houses must achieve savings of 42,000 litres per year per home. The savings can be achieved through rainwater tanks, dual reticulation or treated stormwater. The water savings target is forecast to apply to about 800,000 new

homes over the next 50 years. At this rate, the strategy forecasts that local supplies in new houses will reduce demand for South-East Queensland water grid water by about 35,000 megalitres per year by 2026 and 60,000 megalitres per year by 2056.

The actual number of new houses, of course, depends on a range of factors including population growth and household size. The forecast takes into account variations on the yield of rainwater tanks across the region. Every opportunity must be maximised to capture and reuse water sources, and the government is committed to investing in research into alternative water projects, such as stormwater harvesting and innovative recycled water schemes.

In August 2009 the Queensland Water Commission released stormwater infrastructure options to achieve multiple water cycle outcomes. The results of this study indicate that stormwater harvesting projects are a viable solution to achieve the water savings target in greenfield sites. The government is putting stormwater harvesting into action and has provided \$4.6 million to assist a stormwater harvesting scheme at Brisbane's South Bank. The scheme will capture water from existing urban areas and provide 77 megalitres per year for the irrigation of parks and green spaces. Construction is underway and due for completion in December this year, with commissioning due in March next year. Stormwater harvesting and rainwater tanks complement and reduce the need for bulk water supply sources such as dams and desalination plants.

Ms van LITSENBURG: I refer the minister to page 3-168 of the Service Delivery Statements and I note that 100 per cent of the regional natural resource management group investments were fully acquitted against the objectives. Can the minister advise what important projects have been delivered by these groups as a result of this funding?

Mr ROBERTSON: The regional natural resource management groups deal with the big issues that confront our state such as biodiversity, climate change, water, vegetation management et cetera. Projects undertaken by these groups involve diverse collaborations with landholders, community groups, Indigenous groups, industries and government. Current funding programs providing support for these groups in Queensland include the state government's Q2 Coasts and Country program and the Commonwealth's Caring for our Country. NRM group investment across Queensland was budgeted at \$61.4 million in the 2009-10 financial year. This was made up of \$11 million from Q2 Coasts and Country and \$50 million from the Commonwealth.

The focus of 2009-10 investment included activities that addressed a range of NRM priorities such as sustainable agricultural programs. We have also seen around 1,000 community engagement and training events undertaken by groups to upskill and train local community members to participate in NRM activities in Queensland. Pest and weed control and the further prevention of the establishment of invasive weeds continue to be addressed.

CHAIR: Order! The time for government questions has expired. The remaining 10 minutes will be split evenly between non-government and government questions.

Mrs PRATT: Minister, the benefits of—I may cross the line here again, and I apologise in advance. In saying that, the benefits of UCG mining are known, but the negatives are yet to be found out. What would the government consider a big enough negative to ensure that the communities around a UCG project are not impacted and the government would call a stop to that project?

Mr ROBERTSON: That is exactly why there are three trial projects underway. It is also why government will be informed by the analysis by the technical advisory group. It is not for me at this point in time to make some determination. Any decision that I take as to whether UCG is a viable form of energy generation will be informed by the results of the trials and recommendations or advice from the scientific and technical advisory group that we have put in place. That is the responsible way to go.

On the one hand UCG, if it proves itself to be viable and environmentally sustainable, represents an exciting new form of energy generation. But just as I have said in relation to the development of the coal seam gas to LNG industry, it cannot come at any cost. It needs to go through rigorous environmental assessments before approval would be given for a longer term future. That is why, taking the lead from what we have seen over the last number of months when the Coordinator-General has assessed the coal seam gas to LNG projects of both Santos and BG, you have seen conditional approval given subject to more rigorous work being undertaken by these companies to ensure that environmental impact is minimised. Any reading of the Coordinator-General's preliminary or conditioned approvals demonstrates just how rigorous the process is. I think that, for the purposes of your constituents, member for Nanango, points the way forward for how UCG will be treated in the longer run. As I said, on the one hand it is an interesting and somewhat exciting technology but, on the other hand, it cannot come at the cost of environmental sustainability and protection. That is the commitment that we continue to express to you and to your community.

Mrs PRATT: Further to that, if I may, you would be aware of the Cougar Energy plant at Kingaroy which is situated on top of a hill. Taking into account the anabatic winds and the prevailing winds which all flow directly towards the Kingaroy township itself, we are told by Cougar that if the flame burns blue all the contaminants have just about been burnt out and there is no danger. There have been reports

lately of a yellow flame on the burner, which implies that there are some contaminants being released into the atmosphere. Taking into account all those things, I do not find anywhere in the budget where, if there is any adverse impact on the surrounding farms or the township, there is any compensation.

Mr ROBERTSON: In the first instance, if there is a less-than-optimal performance environmentally by this or any other company, the first stop is not one of compensation; the first stop is rectification. Based on the information you have just provided and if you have further information—again, I am not directing my portfolio responsibility to my colleagues but, nevertheless, the director-general is here. I am sure that he will undertake an appropriate investigation into what you have just said as to the possible emission issues that may arise from a different colour burn. I invite you to provide whatever information you have to the director-general at the conclusion of today's estimates.

CHAIR: Minister, I refer to page 3-159 of the Service Delivery Statements. New laws were introduced in October last year to protect high-value regrowth and vegetation alongside watercourses in priority Great Barrier Reef catchments. Can the minister advise the committee what assistance the government is providing landholders to help them comply with these important new laws?

Mr ROBERTSON: The government has provided—

Mr SEENEY: I would not even have to read the briefing note.

Mr ROBERTSON: The government has provided funding of \$3.2 million over two years commencing in 2009-10 to implement the new laws to protect high-value native regrowth and vegetation alongside waterways in Great Barrier Reef catchments. This includes \$2 million for an industry partnership program to assist landholders to understand and comply with the new laws and continue to manage their properties responsibly, productively and sustainably.

Queensland Farmers Federation and AgForward, an initiative of AgForce, have partnered with the government to deliver assistance including expert technical advice, workshops and practical field days to landholders. The regrowth industry partnership program will build on the success of the existing best management practice in partnership with AgForward. The Best Management Practice program has been delivering industry workshops on vegetation clearing laws since 2005 and has achieved considerable on-ground results to date, with over 430 workshops being carried out in numerous locations throughout the state with over 4,800 producers attending.

The remaining funding will go towards the implementation of the new regrowth vegetation laws, including the development of guidelines and new mapping products. Landholders are able to easily access information about the new regrowth laws from my department's website as well from a free copy of the regrowth map for their property, the regrowth code and the landholders' guide to the regrowth code. When the code was introduced last October, I committed to remaking it within 12 months with stakeholder input to ensure that it was operating effectively. My department is working closely with industry stakeholders to improve practical workability of the code by remaking the regrowth code and associated guide. This is aimed at making it easier for landholders to understand and implement the code without compromising its intended environmental outcomes.

Mr MOORHEAD: Minister, I refer to page 3-169 of the Service Delivery Statements. Would the minister provide an update to the committee on the progress of water resource planning in Queensland?

Mr ROBERTSON: Do you want to do this one, too?

Mr Seeney interjected.

Mr ROBERTSON: The department continues to underpin sustainable economic development through water resource planning.

Mr Seeney interjected.

Mr ROBERTSON: It will be over soon.

Mr SEENEY: It will be over for you soon and you'll be over here.

Mr ROBERTSON: The state's water resources are managed through the development and implementation of high-quality water resource plans and resource operations plans. The plans fulfil the state's commitment under the National Water Initiative. Water resource plans aim to give water users certainty about the security of their entitlement and enable water trading in some areas. They also ensure sufficient environmental flows protecting water resources in the environment for future generations. Queensland's water planning framework is consultation based.

Mr SEENEY: Oh, come on! Who wrote that?

Mr ROBERTSON: It involves the formation of community reference panels to engage stakeholders. Along with a range of other consultation actions, this ensures that community and environmental needs are understood.

Mr SEENEY: Shift the blame.

CHAIR: Member for Callide, please. That is enough.

Mr ROBERTSON: It also ensures that water planning addresses economic and social matters. During 2009-10, the department spent around \$8 million on developing and implementing water resource plans. This expenditure includes a significant regional staff presence. Twenty-one of the 23 priority plan areas now have a finalised water resource plan following the release of the Whitsunday water resource plan in February. This equates to more than 91 per cent of the state being covered by finalised water resource plans. Work continues in the Wet Tropics and the Baffle Creek catchment.

Several water resource plans are being amended to ensure the sustainable management of groundwater. The finalisation of groundwater amendments to the Barron WRP and the Pioneer Valley WRP occurred during the year. In coming years many of Queensland's water resource plans will require review and replacement. This is routinely done after 10 years to ensure plans are based on the best science, current environmental conditions and the changing needs of water users. These reviews also provide an opportunity for the department to consider the implications of climate change. Water resource plans for the Burnett, Fitzroy and Cooper Creek are currently being reviewed. In the past year, a number of resource operations plans were finalised. These created 1,622 water allocations separate from land, involving over two million megalitres, with an estimated value of some \$2.3 million.

CHAIR: That concludes the examination of the estimates for natural resources. We will now commence our examination of Trade Queensland. The first period of questioning for Trade Queensland is allocated to non-government members. As advised earlier, the committee has given leave for non-committee members to ask questions. I suspect the member for Southern Downs is here to do just that.

Mr SPRINGBORG: Minister, did you want to ask a question?

Mr ROBERTSON: No. It is just that my friend the member for Callide and I have been having a bit of a discussion over the past half an hour.

Mr SEENEY: Next time you can ask the questions. You will be over here.

Mr SPRINGBORG: I am not sure that is a very genuine assertion of the term 'friend' from you, Minister. My question to the minister relates to the fact that on 28 May we all witnessed the spectacle of Peter Beattie calling a press conference to say that he is fading from the limelight, that he was going into obscurity and that he was no longer going to be seen. But he has had a running commentary every day since then, including managing to be able to comment on Julia Gillard's ascendancy to the prime ministerial throne from the outer wilds of Montana. Minister, it is normal for a government employment contract to have a termination provision which would see an employee fully paid out if that contract was terminated early. Given that Mr Beattie has terminated his contract 11 months early, is there any penalty provision in that particular contract for Mr Beattie to make recompense to the state?

Mr ROBERTSON: Your unhealthy obsession continues, doesn't it? I actually look forward to next year's estimates when perhaps I will get a different question from this. In relation to Commissioner Beattie's—

Mr Springborg interjected.

Mr ROBERTSON: I told you I could have asked the question.

Mr SEENEY: We will see how good your questions are when you get over here.

Mr ROBERTSON: It will be a long time before I do that.

CHAIR: Honourable members, please.

Mr ROBERTSON: Perhaps I can ask Mr Whiddon, on my left, to provide an answer in relation to contractual matters with respect to the former Premier.

Mr Whiddon: Thank you for the question. No, there are no specific requirements there. Commissioner Beattie has indicated that for personal reasons he has decided that two years will be sufficient for him. He obviously has, as we have already seen, some other things to do in his life. We are just grateful that we have had his service for the past two years. From time to time, commissioners for all sorts of reasons, including family reasons, decide that they will not continue. There is no penalty on that. These are exacting positions and we are enormously proud, as should Queensland be, with the quality of the people who service overseas, particularly in a commissioner's position.

Rather than the issue of his leaving and not finalising the contract, the most important thing for us is that with so much happening in the Americas, particularly in Latin America—where the government has announced that it will move its office from Los Angeles to Latin America within 12 months and open an office in Brazil within 18 months—there is a huge amount to do. So the main concern for me and our organisation with Commissioner Beattie finishing this Friday was to ensure that he was replaced quickly. I think anybody would expect that he will be a hard act to follow because of his prominence in the United States in particular and through Latin America—

Mr SPRINGBORG: His successor will be much quieter.

Mr Whiddon:—where he has gained us access to government at presidential and prime ministerial level—unheard of for a state government. So we are very fortunate that Chris Rodwell, the Queensland director of the Australian Industry Group, was interested. He is man with a young family and therefore it is a big step for him, but he is very keen to take up this position. He has a lot of

background, as you would know, in Queensland industry. In particular, a large percentage of his clients in the Australian Industry Group are in the mining services area and that is vital for us in Latin America. I think we have been lucky to have Peter Beattie for two years.

CHAIR: Time has expired, Mr Whiddon. We do apologise. I thank the media for joining us here this morning.

Mr SPRINGBORG: Mr Chairman, it may be a surprise to the minister but I have a supplementary question on this particular matter. Minister, given the fact that Mr Beattie is leaving 11 months early, there must be some unforeseen costs to the state of Queensland with regard to potentially the relocation of Mr Beattie but certainly Mr Rodwell. What are the unforeseen costs to the state as a consequence of having to fill that position with a new commissioner 11 months early with regard to relocation and other potential costs?

Mr ROBERTSON: You really need to seek help with this obsession.

CHAIR: Order! That inference is out of order. I ask you to withdraw.

Mr ROBERTSON: I withdraw.

Mr Whiddon: Thank you for the additional question. I do not think, Deputy Leader, with respect, that one can link the two. Commissioner Beattie, when he finishes on Friday, will in his own time return. There is provision in his contract, as in all contracts—there is no special contract for him—to return at government expense. You link it with the issue of the office relocation. We are doing that because most of the export outcomes in the Americas are coming to us from Latin America. They have now for a couple of years. Queensland companies are going there frankly in droves. We have a lot of Queensland companies that are based there and have offices there. I think the best indicator I can give you is that when the Treasurer and Premier undertook jointly, in separate legs, a mission to the Americas a few months ago, 130 Queensland companies and academics accompanied that mission. That shows you the amount of interest in the Americas from the Queensland community, not just here in South-East Queensland but right through regional Queensland as well.

I cannot at this stage indicate to you the actual costs of our location in Latin America. That is a job for me to do now to select exactly where that will be. We will be working with our partners. I think I mentioned last time we were here for estimates that, rather than spending taxpayers' dollars duplicating what various levels of government do around the world, I have signed an MOU with Austrade, so we cooperate very closely with them. In the first instance we will be talking to them. In the next couple of weeks we will be undertaking interviews for a business development manager to be based in Santiago. That is the first step. That is a deal with Austrade. I have a contract with Austrade—we pay them and they provide, with us jointly selecting the person, a person who will 100 per cent of their time be helping Queensland business.

What we have been doing over the last few years is cutting back our costs so that we can do these sorts of things. Since taking on this job 2½ years ago, we have met our budget each year for three years and we will do so again next year. So the savings we make, including the decision I took some time ago to take away the deputy commissioner positions in both Los Angeles and London, are helping to pay for those costs.

Mr SPRINGBORG: My question again relates to this matter and the relocation of the office to Santiago. Would then the head of trade give an undertaking to provide those costs to this committee as soon as possible, including the location costs for Mr Rodwell and his family? Also, with regard to the location of the office in Santiago, was Mr Beattie actually offered the opportunity to fulfil the role of commissioner based there given that he had spent a significant period of time working on opening up opportunities in South America? Also, what were the costs of travel and accommodation in South America by Mr Beattie?

Mr ROBERTSON: I will perhaps answer it this way. Citizen Beattie has decided, as any other person has the right to, to move on. There is nothing unusual about that. It happens every day. In relation to his performance as trade commissioner, no reasonable person—including some on your own side, member for Southern Downs—would disagree that the former Premier has not worked flat out and achieved some great successes during his time. He has, however, decided to move on.

At the same time that is occurring, we have decided to rejig our investments in offices and employees to take advantage of new opportunities that the former commissioner worked on and succeeded in. He is being replaced by a person of substance and experience, as we have just heard. We move offices on a regular basis. We do that based on where we think it is in Queensland's interest to open up new markets. We have identified South America and Central America as emerging markets, as well as maintaining an interest in the US and up into Canada. There is nothing unusual about this. There is nothing extraordinary about this.

Your ongoing and unhealthy obsession with the former Premier is curious, in my view. As I said, I look forward next year to hopefully receiving some questions from the opposition trade spokesman that do not refer to Mr Beattie in any way. We might actually have an interesting discussion on where

opportunities for Queensland's growth in exports and marketplaces lie. I think that would be a far better use of this committee's time and a far better use of taxpayers' money than obsessing about the finalisation of Mr Beattie's contract. It speaks volumes, frankly, that in the last two years that I have been trade minister the only questions I have received from the opposition trade spokesperson are Beattie obsessed. I have received no other question from the opposition in relation to our most fundamental and important industry in this state—that is, our export industry.

Mr SPRINGBORG: In order to relieve the minister's palpitations, I will ask this question: you refer on SDS page 2-3 to emerging trade opportunities in places including Eastern Europe. I refer to the falling apart of the Queensland kangaroo industry last year and the assertion in parliament by the Premier in August last year that she enjoys a kanga banga or two and that she was going to go off to Russia in order to reopen our kangaroo industry. There was then embarrassment to the state when she met with the wrong minister. Minister, will you indicate the success the government has had to date in reopening that very, very important industry for Queensland in an export context and also for jobs? When can we expect to have it back to its fullest extent of operation?

Mr ROBERTSON: This is a matter that has been taken up with some vigour by my colleague the Minister for Primary Industries, who has reported on a regular basis to parliament on progress in relation to this particular matter. I have not had direct involvement in this area, although I did recently have a function with the Russian ambassador where we discussed this issue.

My understanding of the issue is that it is somewhat complex in terms of the quarantine requirements of the Russian Federation. If I recall the report to parliament by the Minister for Primary Industries, those issues are being worked through. I am keen to see the kangaroo industry return to exporting to this important market. It is a product that I and my wife enjoy almost on a weekly basis at our home. I can attest to the quality of the product that is now being produced. It has improved markedly over the last number of years. It used to be a tough old thing to chew on, but the cuts that are now being offered really are world-class.

If we can get through this issue with the Russian Federation, which we hope we can, we are keen to see kangaroo meat exports return to Russia. It is an important industry for a whole range of reasons that are of interest to me—not just from an export perspective but also from a natural resources perspective as well as the economically sustainable aspect of getting these abattoirs up and running.

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

Ms FARMER: I refer to page 2-9 of the Service Delivery Statements and the reference to Trade Queensland. Can the minister outline what benefits flow to Queensland from the activities of Trade Queensland?

Mr ROBERTSON: Queensland's export sector underpins our state's economy and supports jobs right across the regions. That is why our government continues to work hard to support our export businesses and create new trade opportunities for our state around the world. Export dollars bring new ideas, innovation and technology to Queensland across a whole range of industries. Put simply, international trade generates jobs.

A report by the Centre for International Economics showed that one in five Australian jobs is in trade related activities and one in seven Australians is employed in export sectors. During tough times such as these, Queensland businesses are exploring with vigour export opportunities in traditional and new overseas markets for Queensland. Companies know that one of the best ways to protect and create jobs is through international trade. With around 98 per cent of global economic activity occurring outside Australia, export deals mean a stronger bottom line for Queensland companies.

Most of Trade and Investment Queensland's clients are small and medium sized enterprises, and almost half of them—45 per cent—are from regional Queensland. The jobs our regional clients generate help keep our regions vibrant and strong. Trade and Investment Queensland continues to build their clientele, alerting more Queensland companies to the importance of exporting as a way of growing their businesses and protecting and creating jobs in their firms, and the results are paying off for Queensland.

In 2009-10, Trade and Investment Queensland maintained key strategic presences across Queensland and in 15 global locations, helping Queensland businesses to achieve \$613.7 million in export earnings. This was well above their target of \$425 million. The agency assisted more than 3,000 Queensland companies to make more than 150 export deals, creating 817 jobs and retaining 537. Of the jobs created and retained, 672 of them, or 50 per cent, were in regional areas. Additionally, this year Trade and Investment Queensland has developed close working partnerships with Austrade, the Export Finance and Insurance Corporation, AusIndustry and the Department of Foreign Affairs and Trade to ensure state and federal trade resources complement each other and enhance resources available to Queensland companies.

In 2009-10, we have also worked to deliver new international education and training opportunities for Queensland. In 2009 there were just over 103,000 international student enrolments in Queensland from more than 190 countries. International education and training contributes more than \$2 billion to

the state's economy and creates a cultural understanding in business links while supporting some 17,000 full-time equivalent jobs. By supporting important growth sectors such as this, our government is helping to deliver new economic opportunities for our state both here and overseas.

Mr MOORHEAD: Minister, can you outline to the committee the benefits of Trade and Investment Queensland's expansion into the Latin American market?

Mr ROBERTSON: Latin America is becoming the new Asia—an engine room of growth in the global economy. Latin America and Queensland are realising the benefits of doing business together, and the Queensland government has been at the forefront of developing links between the two regions. Queensland is the most proactive Australian state in Latin America and has been actively engaging in Latin America since 2001. Target export sectors for Latin America include mining equipment, technology and services, transport infrastructure, education and training, clean energy and sustainable tourism. In 2009-10, Trade and Investment Queensland assisted Queensland businesses to secure \$64.9 million in export to Latin America, and total export and investment outcomes for 2009-10 extend to \$125.8 million.

To build on this success, in April this year the Treasurer led a delegation of over 30 Queensland companies and institutions to Chile, Colombia, Peru and Brazil—many of whom are active in these markets. Major outcomes include Austin Engineering's \$15 million joint venture investment in Belo Horizonte, Brazil; a US\$20 million expansion of Antofagasta, Chile; a partnership between the University of Queensland and the Federal University of Minas Gerais; and other Queensland companies like Noja Power also securing valuable deals in Latin America.

Over the past two years, significant efforts have been made in forming partnerships with Colombia, including the trade commissioners meeting with President Uribe and attracting visits to Queensland by the Colombian Minister of Trade and the Colombian Minister for Foreign Affairs. In addition, the Queensland government has forged strong links through regional agreements with Minas Gerais, Brazil; Antofagasta, Chile; Antioquia, Colombia; and the governments of Colombia, Mexico and Peru.

Trade and Investment Queensland's recent activities supporting business in Latin America include a trade mission to the Expomin mining show in Santiago with 22 Queensland companies, and a successful 30-strong business delegation to Chile, Peru, Brazil and Colombia led by the Treasurer.

Feedback from Trade and Investment Queensland's clients indicates a demand for more involvement in the region. Chile is recognised as the gateway to the Latin American region, with over 30 Queensland companies already established there. As a next step, the Queensland government will soon establish trade representation in Latin America through the appointment of a senior business development manager in Santiago. Future in-market representation will also be bolstered with the relocation of the Queensland government's Trade and Investment Office in Los Angeles to Latin America in 2011. Targeting opportunities in Latin America is a key element of this government's strategy to grow Queensland's export and create new jobs for Queensland—while the LNP obsesses about the allowances paid to the former commissioner.

Ms van LITSENBURG: I refer to page 2-7 of the Service Delivery Statements. How is the merger of Trade and Investment Queensland helping to deliver better support and outcomes for Queensland export businesses?

Mr ROBERTSON: Trade Queensland and Invest Queensland were recently merged into a single agency—Trade and Investment Queensland. The food and agribusiness trade functions of the former department of primary industries and fisheries also joined Trade and Investment Queensland, increasing the agency's regional reach. This consolidation of operations brings together the key government business agencies operating internationally to promote economic activity and help Queensland companies make the most of the global marketplace.

Trade and investment are substantial contributors to the quality of life of Queenslanders, through jobs and introducing new skills, enhanced access to technology, increased income and access to overseas markets for business. Queensland's booming global aviation aerospace industry is a case in point. For example, attracting Boeing to do business in Queensland has seen a boom in aviation sector exports, supported by this company's links to global supply chains. In our overseas offices, Queensland government trade and investment commissioners and other business development staff have worked on securing both export and investment deals for our state for some time. It makes good sense that our operations at home are similarly closely aligned into a one-stop shop for export and investment assistance.

Trade and investment go hand in hand to support Queensland's business economy and jobs growth. In 2008-09, Queensland exports were worth more than \$65 billion. As I mentioned before, one in five Australian jobs are underwritten by trade related activity. In 2009-10, Trade Queensland helped Queensland businesses achieve more than \$613.7 million worth of export deals. Since the start of the 2006 financial year, Invest Queensland has assisted to attract investor activity which is expected to generate over 5,000 jobs and more than \$675 million in capital expenditure investment in the state.

In 2009-10, the food and agribusiness unit, now within Trade Queensland, worked with 160 clients and achieved \$22 million in exports. The merger of these vital government agencies is better for business and better for Queensland. The new combined agency is a key element of the government's strategy to grow Queensland exports to attract investment into the state and create new jobs for Queenslanders.

CHAIR: I refer to page 2-6 of the Service Delivery Statements. Can the minister outline the benefits of trade missions undertaken by government ministers in the past year?

Mr ROBERTSON: Trade and Investment Queensland is the Queensland government's global business agency focused on supporting Queensland companies to secure exports and overseas investment. My involvement in trade missions and that of other government ministers builds the story of Queensland's competitive global strengths and supports Queensland companies in the international marketplace. They help us to build opportunities for new trading partners and help Queensland industry grow in the global marketplace.

Export results directly related to participation in trade missions form a significant portion of the \$613.7 million worth of export sales supported in 2009-10. This result is up 18 per cent on last year. Queensland government trade missions help companies secure export deals, maintain their presence in the global marketplace and raise the profile of Queensland exporters internationally. They assist in building strong commercial relationships with international buyers and key decision makers to advance Queensland's export performance and position Queensland as a supplier of choice and a preferred destination for international students and tourists. Trade missions also facilitate the signing and ratifying of international agreements, such as MOUs and sister state agreements, promoting the sharing of technology, training, resources and business opportunities.

Export underpins the state's economic growth. Export businesses are generally more productive, competitive and innovative and more likely to create full-time and permanent jobs, offering better pay and conditions for Queenslanders. Global trade has the potential to pick up strongly in the wake of the global financial crisis, leading to more new jobs. We want to make sure Queensland is at the forefront of these opportunities.

In 2009-10, trade missions covered destinations including Japan, China, Korea, the USA, Europe and PNG and emerging markets including Latin America, the Middle East, South-East Asia and India. These trade missions provided many Queensland companies with new opportunities to enter the export market, and those opportunities are further bolstered through the range of support and follow-up services from Trade and Investment Queensland.

Trade missions are a key element of the government's strategy to grow Queensland's exports and create new jobs for Queenslanders. There is no doubt that benefits for the Queensland economy will continue to grow through the new business opportunities that follow.

Ms FARMER: I refer to page 2-6 of the SDS. Can the minister explain what initiatives Queensland has taken to capture the food and agribusiness export opportunities in Korean market?

Mr ROBERTSON: Queensland's food and agribusiness industries contribute strongly to the state's economy. In 2009-10 this contribution was \$12.6 billion, including exports worth \$6.7 billion. These sectors are made up of a few big players and many small to medium companies. In today's highly competitive global environment it is crucial that all companies operate efficiently and are responsive to market trends.

Engaging in effective value chains has proven a very successful way for food and agribusiness firms to enter markets and expand trade. The food and agribusiness unit within Trade and Investment Queensland puts considerable emphasis on building exporter capabilities in this area. Trade and Investment Queensland provides a suite of value-chain services to clients and has successfully facilitated a number of horticulture value chains, resulting in new export markets being developed for mangoes, avocados and citrus.

The government's Grow Korea initiative has been successful in developing new export opportunities for Queensland's products such as beef extracts, grains, fruit juices, bakery fillings, macadamia nuts, ice creams and olives. To date, Grow Korea has engaged a total of 45 Queensland food and ingredient companies. Exports from these companies to Korea for the first three-quarters of the year generated approximately \$15 million in exports. Last year this initiative achieved \$14 million.

Placing a food and agribusiness specialist trade officer in the Trade and Investment Queensland office in Seoul has assisted the success of Grow Korea. The specialist's knowledge and understanding of Queensland companies and products has helped to get access to key decision makers within Korean companies to facilitate interactions with Queensland business.

In May this year, three successful business forums were organised in Korea. Nineteen Queensland companies were involved in these forums and 100 Korean companies attended. Initial feedback from Queensland companies has been very positive. Examples of Grow Korea's

achievements include exports of food-quality soya beans for soy milk and tofu product manufacture, fruit based bakery fillings for bakery products, beef extract as an ingredient in food manufacturing, macadamia and peanuts for confectionary and biscuits, and soft-serve ice-cream powder.

In addition to export revenue, the Grow Korea initiative has helped to facilitate Korean investment in Australia. CJ Nutracon, a subsidiary of Korea's largest food manufacturer, developed a \$20 million bone and beef trimming plant in Toowoomba in 2007. The plant created some 20 new jobs locally and has been generating approximately \$13.3 million in export earnings per year. The Grow Korea initiative is a key element of the government's strategy to grow Queensland's exports and create new jobs for our state.

CHAIR: That regrettably concludes the examination of the estimates for the Minister for Natural Resources, Mines and Energy and Minister for Trade. Thank you, Minister, and your advisers for your attendance. The transcript of this part of the hearing will be available on the Hansard website within two hours. The committee will now meet in closed session. Afterwards we will adjourn for lunch. The public hearing will resume at 1.15 pm. We will then be examining the estimates for the Minister for Transport. Can I ask members of the committee to meet in A35 immediately, please.

Mr ROBERTSON: Thank you, members, chair and our hardworking Hansard people.

Proceedings suspended from 12.19 pm to 1.15 pm

ESTIMATES COMMITTEE C—TRANSPORT

In Attendance

Hon. RG Nolan, Minister for Transport

Mr D Cheverton, Principal Adviser

Department of Transport and Main Roads

Mr D Stewart, Director-General

Mr A Tesch, Associate Director-General

Mr J Noye, Deputy Director-General (Corporate)

Mr J Sparks, Project Manager, Government Services

Queensland Rail Limited

Mr P Scurrah, Chief Executive Officer

QRNational

Mr J Stephens, Chief Executive Officer (Acting)

TransLink Transit Authority

Mr P Strachan, Chief Executive Officer

CHAIR: The Estimates Committee C hearing is now resumed. We will now examine the estimates for Queensland Transport. We will commence our examination with Queensland Rail, followed by the department of transport. I table for the information of non-committee members the amended hearing program. It contains some minor changes that have been agreed to by the committee.

On behalf of the committee I welcome the minister, departmental officers and members of the public to the hearing. My name is Jason O'Brien. I am the chair of the committee. Mr Jeff Seeney is the deputy chair. The other committee members are: Ms Di Farmer, the member for Bulimba; Mr Evan Moorhead, the member for Waterford; Mrs Dorothy Pratt, the member for Nanango; Ms Fiona Simpson, the member for Maroochydore; and Ms Lillian van Litsenburg, the member for Redcliffe.

The committee will suspend proceedings for a break from 3.15 pm to 3.30 pm. The proceedings today are lawful proceedings and subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 206. The committee has resolved that the proceedings of the committee be broadcast and that photography be allowed during the Chair's opening statement and the introductory statements of each minister as well as for short periods during the changeover in organisational units.

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

The standing orders require that at least half the time available for questions 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 advisers to the minister to identify themselves when they first come forward to answer a question if the minister refers a question to them so that Hansard can record their name.

I also remind members, witnesses and members of the public that no food or drink is permitted to be consumed in the Legislative Council chamber. Before we begin I ask that any mobile phones and pagers be switched off or switched to silent mode. That was a problem this morning.

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

That the proposed expenditure be agreed to.

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

Ms NOLAN: Yes, please, Mr Chair. It is my pleasure to present to you the Transport and Main Roads budget for consideration. In 2010-11 some \$7 billion has been set aside for the transport function of the Department of Transport and Main Roads, making it the largest infrastructure portfolio allocation and the third largest line allocation within the government.

At 11 per cent growth—up from \$6.3 billion in 2009-10—Transport and Main Roads, alongside Health, has seen the greatest growth in these tough economic times. This is a clear reflection of this government's priorities. Health demands grow as the population ages and medical technology improves. It is an article of faith for a Labor government. Public transport drives sustainable urban growth. It is a passion.

South-East Queensland is one of Australia's fastest growing urban areas. The opposition, the state LNP, has promised developers an extension of urban sprawl, and in power at City Hall the LNP has failed to meet public transport cost growth. In stark contrast, this Labor government is committed to urban sustainability, compact urban form and modern public transport links.

Accordingly, this budget provides more than \$1.3 billion for major public transport infrastructure projects in South-East Queensland. This includes Gold Coast Rapid Transit, the Eastern Busway and Northern Busway, duplication of rail to Ferny Grove, \$200 million for station renovations and, the budget's major infrastructure announcement, bringing forward Springfield rail, the first new spur line in decades. The TransLink budget this year will increase by 15 per cent and patronage will continue to grow.

The budget includes substantial capital investment in regional Queensland. The Cairns cruise ship terminal will be completed this year. Work has begun on the Townsville Marine Precinct and the Goonyella-Abbot Point expansion. Some \$66.7 million will be spent upgrading the Mount Isa line. Some \$169 million will be invested in the School Transport Assistance Scheme, mainly in regional areas, and \$35.7 million will go into qconnect.

In addition to public transport, one of my primary responsibilities is for road safety. I am pleased to report that, following major reforms announced in December last year, the road toll this year is 35 per cent lower than last year. The reform package included the introduction of covert, digital and point-to-point speed cameras as well as the introduction of alcohol interlocks from the end of this year. It is a longstanding convention in Australian politics that road safety is bipartisan political ground. As such, it is disappointing that the member for Maroochydore has criticised this program of road safety reform as 'revenue raising'. This is all the more disappointing when on the early evidence it would appear that this package is improving safety on our roads.

I have long been of the view that, while the National Party remains the dominant conservative force in Queensland, the political divide is not between left and right but between old and new. I dare say we will see some evidence of this schism today. While we may have been in government for much of the last 20 years, Labor remains the face of modernisation.

Accordingly, hot on the heels of implementing the go card—Australia's best integrated ticketing system—the Queensland government will this year roll out a new Queensland driver's licence. It will be a new, more secure system involving facial recognition technology and a chip with public key identification material to protect individuals from fraud. The new licence will be rolled out from the end of this year. Mr Chair, I look forward to members' questions.

CHAIR: Thank you, Minister. We will now commence our examination of Queensland Rail followed by the department of transport. We will break this session up into 15 minutes of questions from non-government members and 15 minutes from government members and split what is left. The first period of questioning is allocated to non-government members. I call the member for Maroochydore.

Ms SIMPSON: I table a copy of the witness list that was supplied to the committee and ask whether this witness list, which shows Queensland Rail Ltd and does not include QRNational Ltd, was intentional or whether QRNational will be present to address critical issues to do with the asset sales and operations?

Ms NOLAN: Both QRNational and the new government owned corporation, Queensland Rail, are represented here today.

Ms SIMPSON: I have a question with regard to the \$660,000 fine Queensland Rail received for breaching agreements to consult five unions on the sale of QR. At last year's estimates you refused to answer my question regarding the future of QR workers. Does the minister accept that consultation means being able to influence the outcome? As rail workers and Queenslanders were in fact not consulted about the asset sale of Queensland Rail, will you as minister take responsibility for this \$660,000 fine for breaching the law?

CHAIR: I understand that this matter is being appealed. It is therefore before the court and sub judice. The question is out of order. I ask you to ask your next question.

Ms SIMPSON: If QRNational is to breach the law with regard to issues such as this, what action will you take as minister?

Ms NOLAN: It is difficult to comment when the premise of the question refers to a matter which is under appeal before the courts. I am of course very happy to talk about QRNational issues broadly.

CHAIR: You are right, Minister. Again, member for Maroochydore, the matter that you refer to is currently subject to court proceedings. It is therefore caught by the sub judice rule. The question is out of order. I ask you to ask your next question.

Ms SIMPSON: What have you done to ensure that Queensland Rail workers have been properly consulted, considering that consultation means being able to change the outcome of the matter about which they are being consulted?

Ms NOLAN: The government's decision to privatise QRNational, the commercial parts of what was previously QR Ltd, has been widely and extensively discussed on the public record. A number of government ministers, including me of course, have regular discussions with people who work in QRNational and in Queensland Rail. Of course, we regularly consult with those workers' unions.

I am confident that the workers involved in both of those two entities will have a strong future as part of those respective entities as we go forward. We have from 1 July created a new government owned corporation, Queensland Rail—6½ thousand employees. Those, quite properly, will be dedicated 100 per cent to providing services to the people of Queensland. Their focus will be on better quality passenger services through both the Traveltrain and the Citytrain networks. Those people will continue to maintain 8,000 kilometres of Queensland's rail network, most of which is provided as a public service because that element of the rail network is not in and of itself commercial—that is, profit making.

Similarly, Queensland has, I think it is fair to say, a very strong future in its coal industry. Coal exports from this state are expected to grow very substantially in the years ahead. So I think it is fair to assume that those people who are employed within the commercial elements of what was QR Ltd and is now QRNational will be part of that growth and will benefit from that growth.

I think it is also entirely justifiable and entirely right that that entity that is providing a commercial service to coal companies—some of the world's largest multinational corporations—should operate in an entirely commercial private sector environment. I note that in the draft economic policy position paper recently put forward by the LNP that proposition is essentially agreed with. While the LNP has for a long time not really had any notable economic policy, one was recently snuck up on the web and it indicated that the LNP had no philosophical opposition to privatisation.

Ms SIMPSON: Minister, with regard to a report that QR is asking for a 15 per cent return on assets for the missing link North Goonyella to Newlands as an access fee, can you confirm that this is contrary to the undertaking given to the Queensland Competition Authority which allows for a nine per cent return? How can companies wishing to access these lines have confidence that a private monopoly QR National will not charge monopoly rents when a publicly held QR is pursuing potentially unlawful monopoly rents on publicly held QR lines?

Ms NOLAN: There is no policy position or law in Queensland that says that new railway lines can only be delivered by QR National or previously by the old QR Ltd. What has happened in the case of the Goonyella to Abbot Point expansion is that the previous QR Ltd negotiated contracts with the series of coal companies that ultimately will use that infrastructure through a purely commercial process. They would have been within their rights to build that infrastructure through a different method. We note in another part of Queensland, for instance, that the new Galilee Basin operators are proposing that they will build their own rail infrastructure. Both Hancock and Waratah are proposing to build their own rail infrastructure to take their coal to market.

The 15 per cent to which the member refers is a direct commercial agreement between QR National and those coal companies and no complaints have been made to the Queensland Competition Authority about it. But the premise of the member's question that this must necessarily be a monopoly provider is in and of itself false. There has been a commercial agreement undertaken between QR National as the infrastructure provider and those coal companies as the people who will ultimately use it. If the coal companies had felt that this negotiation was somehow not commercial, they of course have recourse through the usual regulatory processes. But the premise of monopoly and therefore monopoly rents is quite simply incorrect. It surprises me that so long into third-party access and so long into a regime where other providers were in a position to build below-rail infrastructure, as Hancock and Waratah are currently proposing to do, the opposition would continue to hold the view that this is a monopoly when clearly it is not.

Ms SIMPSON: Minister, with regard to the proposed 12 per cent increase in cattle freight rates, are you aware that this will effectively remove any financial incentive to transport cattle by rail and in many cases make it more expensive? If the 350,000 head of cattle that rail transports each year are instead to be transported by road, that will equate to over 5,200 B-doubles on our roads. Minister, does this not show that you and your government are just closing the QR cattle train by stealth through instituting gouging and inflated prices but you have not counted the costs on the roads and to your local meatworks?

Ms NOLAN: On the contrary, what this government has indicated a willingness to do is for the first time provide a direct community service obligation to the new QR National for the transport of cattle on cattle train, and that is that this government will provide a direct subsidy—a new subsidy, a subsidy which the National Party in government, despite its claims to be the friends of the bush, never instituted—and we will institute that subsidy explicitly as part—

Ms SIMPSON: So you are not going to end up with additional trucks on the road then?

CHAIR: Order! Member for Maroochydhore!

Ms SIMPSON: Because it is already happening.

CHAIR: Member for Maroochydhore, you have asked your question. The minister is answering it. The minister has the call.

Ms NOLAN: We have indicated that we will, as part of this process, introduce a new direct subsidy for the provision of cattle train services. At present there is an implicit subsidy through a loss to QR of between \$20 million and \$25 million a year for the provision of cattle train services. So right now the taxpayer is, through that implicit loss, subsidising the businesses of profit-making beef producers and profit-making abattoirs, some of which are major multinational corporations. What government is seeking to do, because we understand that there is an argument around animal welfare and also an argument around taking trucks off the road, is make that an explicit subsidy in future budgets, and that was one of the key things we announced as part of the announcement of the structure of QR National in December last year.

It is the case that there will be some price increase to cattle producers, because a balance has to be found between the price that those profit-making businesses pay and the subsidy which the taxpayer provides. There is currently a negotiation underway in relation to finding that appropriate balance, but let me make two points. Firstly, at present only four per cent of cattle transport movements happen on rail. The rest the producers choose to move on road. Secondly, the government does understand about the needs of animal welfare and the desire to keep trucks as much as possible off the roads and so we have indicated a willingness to provide an explicit subsidy.

Ms SIMPSON: Minister, could you please provide what the freight split will be between road and rail and the growth rates and broken across commodities? This is relevant to the issue as to impact on our roads as people move away from rail under your regime.

Ms NOLAN: Do you mean for cattle train?

Ms SIMPSON: I mean across the freight task, including livestock. More people are leaving rail because it is becoming more expensive under your government and moving to roads. That is clearly having an impact. Could you please outline what the intended split is among those different types of freight task, what the mode share will be, and how that is moving to roads and what that impact will be?

Ms NOLAN: The premise of the question that there is a broad move, I think the member is saying, as a result of the asset sale around QR National is quite simply incorrect. For instance, last year QR Ltd entered into a commercial haulage agreement with the grain companies so that we could ensure going forward that grain—a classic bulk commodity which I think people would agree should, if possible, be moved by rail—would be moved by rail, and the agreement was reached after tough negotiations between the grain companies and QR. It was reached despite a number of National Party members arguing on the public record that it would not be possible to come to a commercial arrangement around grain. What those members argued was that grain was seasonal and therefore the grain companies would not enter into take-or-pay agreements. The bottom line here is that QR has since the mid-1990s operated on commercial principles, and there have to be commercial agreements in place between those profit-making companies that want their freight moved and QR, whether it was QR operating commercially under the previous arrangement as a GOC or QR operating in the private sector.

CHAIR: Time for non-government questions has expired. It is time for government questions.

Ms van LITSENBURG: Minister, I refer to page 2-118 of the Service Delivery Statements in relation to public transport services. Can you outline how the new Queensland Rail will deliver better passenger services for Queensland?

Ms NOLAN: I can. Queensland Rail has a strong future, with the Queensland government investing record amounts in new trains, new tracks and extra services. Effective from 1 July 2010, Queensland Rail remains in public ownership with a 100 per cent focus on customers, most of whom of course are ordinary everyday passengers like you and me. The new beginning means passenger services no longer compete with freight trains and coal tracks for government funding. The new Queensland Rail employs 6,500 staff, operates 8,000 kilometres of track and runs 190 passenger trains carrying 65 million people a year between 211 stations. The first job of the new Queensland Rail will be to overhaul the Citytrain timetable which has evolved in an ad hoc manner since 1997. The current expansion of capacity between Corinda and Darra combined with the new Richlands line opening next year creates an opportunity to fix the timetable, creating more efficiency and more seating capacity for

commuters. Community consultation on the new timetables will take place later this year, with the aim to implement a new timetable on the Caboolture and Ipswich lines in the first half of 2011, with timetable reviews on other lines to follow.

I can also announce today that a new Nambour rail-bus service leaving Caboolture will commence around August for Sunshine Coast passengers. The service will fill a gap in the existing timetable between 7.30 and 9.30 pm on weekdays and is a perfect example of how the new Queensland Rail is better serving passengers. In that regard, I would like to acknowledge the advocacy of Rail Back on Track which raised this timetable gap with us and I am very pleased to report that we are fixing it for Sunshine Coast people. The new Queensland Rail will also keep investing heavily in new and better infrastructure. There is \$1 billion for 64 new three-carriage trains, a 45 per cent increase in the train fleet; \$200 million for the station renovation and upgrade program; \$218 million to build two new tracks from Corinda to Darra, including station upgrades at Oxley and Darra; \$1 billion to build a new rail line to Springfield, including new stations at Richlands and Springfield; and \$100 million to build a second track from Keperra to Ferny Grove, including a major station and parking upgrade at Ferny Grove. Queensland Rail has a tremendous history, started of course in Ipswich, so it is a history with which I am more than familiar. But I am also confident that Queensland Rail has an even more exciting future ahead of it serving entirely the broader Queensland community—the travelling public of this state.

Mr MOORHEAD: Minister, media reports show that the Springfield community was delighted with the announcement that the government will deliver their new rail line two years ahead of schedule as detailed on page 115 of Budget Paper No. 3. Can you provide the committee with an overview of the benefits of this project?

Ms NOLAN: Of course I can. At this year's budget sitting the Premier announced \$646 million to bring forward rail to Springfield two years ahead of the earlier schedule. Bringing forward the extension of the railway line all the way to Springfield will give approximately 18,000 residents who live there now access to world-class public transport and will take approximately 1,000 cars off the busy Centenary Highway in the peak hour. To assist these residents in accessing this great new piece of infrastructure, special new local bus services will be established when the new Springfield rail station is operational. This will encourage commuters to take public transport all the way from home to work. The project will also stimulate economic growth in the western corridor by linking the population with business, employment, education and health services via high-quality public transport.

During construction, the project is expected to require two million hours over a construction period of two years, creating 650 full-time equivalent employees per year. Work is nearing completion to extend the region's rail network from Darra to a new station at Richlands, and so we will roll the project on when Richlands is finished going directly through to Springfield. Stage 1 of this project began in 2008. It is expected to be complete next year. It includes five kilometres of new rail line and four kilometres of road upgrade. The Richlands Railway Station will include a 650-space car park. The total cost of that stage—stage 1—is \$800 million.

The point I would make about this project is that it is exciting because it is the first new publicly built rail spur line to happen in the Citytrain network for many, many decades. The western corridor has been identified as the focus for growth. The key to getting sustainable growth across South-East Queensland over the next 20 years or so is to encourage some movement to the west so that we do not get completely unsustainable urban sprawl running all the way from the Sunshine Coast to the Gold Coast. So there is a quite obvious move to encourage growth in the western corridor. But what building Springfield rail now means is that, as the area grows, sustainable public transport can be established and a public transport culture can be inbuilt to that new community from day one, and I think that is incredibly important for the sustainability of all of South-East Queensland.

Ms FARMER: Thank you, Mr Chair. Minister, I refer to page 61 of Budget Paper No. 4 and the station renovation program and station upgrades. Can you provide information on what this program will deliver?

Ms NOLAN: Thank you, member for Bulimba, I can. As I have said about the new Queensland Rail a number of times, I am tremendously optimistic about the new Queensland Rail because I think that for too long passenger services, which should be the focus of a government owned corporation, have been one of many focuses in a very big partly passenger focused and partly commercial organisation. It is therefore my view, as I touched on earlier, that the new Queensland Rail, in focusing entirely on providing better passenger services and maintaining and expanding the 8,000 kilometres of non-commercial track, will provide a better quality of service to the travelling public.

One of the things that people will see over the next 12 months as something of an introduction to that new passenger focused business will be a major transformation of stations across the Citytrain network. Over the next 12 months we are spending \$200 million to spruce up train stations. As a regular train commuter myself, I have no doubt that some of our stations are looking a little tired. This renovation blitz will take us from the steam age, I think it is fair to say, to the gleam age. The stations being renovated are used 90 per cent by daily passengers. That is, they are by and large the busiest stations. So that means that most rail commuters in the next year will see a newly renovated railway station.

The package ranges from major works, such as new lifts, escalators, ticket offices and car parks, to basic upgrades like new toilets, passenger information, seating and LCD screens displaying service information. A great feature of the program is the installation of digital screens displaying the latest real-time train information. So people can turn up at the station and know in real time not just when the timetable says the next train is coming but when it will—how far away it is from you right now. By using the latest technology we are improving customers' experience and encouraging more people on to public transport. It is about making travel easier for all commuters, in particular those with a disability, who will benefit as a result of this program from improved access.

Work is already underway on this major renovation project. Just recently I announced \$10 million for Eagle Junction Railway Station. That means that the first visitors from the airport coming into the city will in future not see a decidedly 1960s Eagle Junction station; they will see a new, modern station as part of an introduction to Queensland's public transport network.

Ms van LITSENBURG: Minister, page 115 of Budget Paper No. 3 shows \$35 million this financial year for the Keperra-Ferny Grove rail project. Can you provide details of this project and, in particular, the plans for the redevelopment of Ferny Grove?

Ms NOLAN: I can, and I thank the member for the question. The Ferny Grove line is an important commuter line to those north-west suburbs. There are a lot of people who live in that part of town and who commute in every day on what is a reasonably short train trip in from Ferny Grove and the stations along the line. At the moment, however, there is only a single track between Keperra and the terminus station, Ferny Grove. So the government has committed to duplicating that line which, in the longer term, gives us capacity, obviously, to put more trains on it and, therefore, improve the frequency of services coming in from Ferny Grove.

Also, we will quite significantly upgrade the Ferny Grove Railway Station. As it is a terminus, it is a really important park-and-ride station. For instance, people from Samford and those more outer parts of town quite often drive to Ferny Grove, park and catch the train in to work in the city. This \$100 million project, then, involves duplicating 3.2 kilometres of track between the Keperra and Ferny Grove stations, upgrading the Ferny Grove station with disability access and boosting that commuter car park at Ferny Grove to around 1,000 spaces. The new Ferny Grove station, I am also pleased to say, will have increased bike storage and a new bus interchange. So it is not just a station upgrade in itself but also a station upgrade which recognises the important role of Ferny Grove as a hub.

Some people will still drive, so we are expanding parking capacity. But it would be great to see more people riding their bikes to Ferny Grove station, being able to securely store their bike for the day and catch the train into town. So bike storage will be substantially increased.

Also, as I just talked about with Springfield, it makes sense if we can get better bus and rail connections, so you might well be able to catch a bus from the station that is in your street that takes you to the modern bus interchange at Ferny Grove and then you can catch the train all the way into work in the city. Of course, one of the advantages of go card, which is now working very well across transport modes, is that you can do that without having to fumble around with different tickets and different sets of change on the bus and on the train. The detailed design of this upgrade is expected to be completed by November of this year. The upgrade is expected to be finished in 2012.

Ms FARMER: Minister, I know that late last year you opened the new Varsity Lakes station, shown on page 123 of Budget Paper No. 3. Can you explain the benefits of this project for Gold Coast commuters?

Ms NOLAN: I can indeed. As everyone knows, the Labor government over quite a substantial period of time—probably 15 years or so now—has been progressively rebuilding rail to the Gold Coast. The Varsity Lakes station is the first new extension of that line for a number of years. The new Varsity Lakes train and bus station is a \$25 million facility which provides Gold Coast commuters with access to a new integrated public transport hub. It is a first-class station with a range of new bus and train connections.

The Varsity Lakes station is, for those of you who have seen it, a very attractive, modern, open urban space. It was architecturally designed and is, I think, a really impressive example of contemporary public transport infrastructure. The station incorporates the latest in modern engineering and sustainable design and it is environmentally friendly, with features including the use of natural ventilation and extensive use of glass to provide plenty of natural light into the building.

One of the things that people talk about on the public transport network is that they obviously want it to be open, because it is important that people feel safe when they are out on the public transport network. So the Varsity Lakes station is designed to have, as I just said, good use of glass to provide really clear lines of sight. It is all disability accessible and it has substantial parking—300 new commuter car parks, 22 bike lockers, 10—

CHAIR: The time for government questions has expired. There are seven minutes left in this session. In the spirit of the excessive generosity I have displayed today, we will split that 4-3 between government and non-government members.

Ms SIMPSON: Minister, there have been recent reports that unauthorised people have had access to keys to access Queensland Rail rolling stock and, in fact, the carriages. Could the minister advise if it is in fact true that unauthorised people have had access to Queensland Rail, into the area where people start the trains? Who has access to the keys and is there a proper log kept of this?

Ms NOLAN: I thank the member for the question. The member is right: there was a recent media report—I think on *Today Tonight*—about people improperly accessing the railway network and trains and graffitiing those trains. The good news is that the people involved in that incident have been arrested, as was subsequently reported on *Today Tonight*. I might ask Paul Scurrah, the CEO of Queensland Rail, to provide you with more detail of that, but that was a concerning incident. We do a great deal of work, obviously, to prevent damage to rail infrastructure. The police have clearly done some good work in arresting those people. I will ask Paul Scurrah to provide you with more detail.

CHAIR: Can you also advise us if the matter is still before the court, please?

Mr Scurrah: Thank you, Chair, and thank you, Minister. The story on *Today Tonight* that the member is referring to did result in several arrests after it was referred to Queensland police. We have watched the footage. We thanked *Today Tonight* for bringing it to our attention and we have referred the matter to the police for further investigation, particularly the issue of the access to the keys. Despite the fact that we think that footage was some years old, we take the matter incredibly seriously and have referred it to the police for further investigation.

Ms SIMPSON: Thank you. Minister, previously I mentioned the fact that there is a move with livestock going on to roads and that this is causing a great deal of concern. I quote from AgForce's article where they warn that this is going to result in some 40 extra cattle trains going through Brisbane and Toowoomba, that that could end up with as many as 5,000 B-doubles on the roads. Is that not a matter of concern to you—that the current policy of government and QR is resulting in a cost on our roads and an impact?

Ms NOLAN: The government's concern is to maintain cattle train services. That is why it is the Labor government that is instituting for the first time what is, frankly, a new agricultural subsidy—a direct provision of a subsidised service to take cattle produced by profit-making primary producers to—

Ms SIMPSON: They are actually facing a price rise.

CHAIR: Order! Member for Maroochydhore, you have had your go.

Ms NOLAN:—abattoirs, which are located obviously in different parts of the state. That is why we are doing it. That is why this Labor government is introducing a new subsidy for the provision of cattle train services.

Frankly, I find it remarkable that the opposition seeks to involve itself in a commercial negotiation between the parties involved. Yes, government is providing a subsidy for these services but this stuff should not be free. There also does need to be a reasonable proportion of the real cost paid by the producers involved. There is currently a negotiation going on in that regard. I assume from the member for Maroochydhore's comments that she does not believe there should be any increase and that the taxpayers alone should pick up this cost.

CHAIR: The time for non-government questions has expired. Minister, I refer to page 2-115 of the Service Delivery Statements which notes the delivery of boom gates for level crossings across Queensland. Can you provide an update on progress with delivery of this program?

Ms NOLAN: Thank you, Mr Chair, I can. Across Queensland there are more than 3,500 open level crossings. The rail network extends across more than 9,000 kilometres. The state government does a great deal of work to ensure that these 3,500 open level crossings are safe. Under the federal government's Boom Gates for Rail Crossings Program we secured almost \$43 million—it was \$42.74 million, in fact—to upgrade 66 high-priority open level crossings across the state. I am pleased to report that 51 of the 66 upgrades have been commissioned already and the remaining 15 are scheduled to be completed by the end of the month. I think that is quite a good record given that there was this year such substantial rain and that these open level crossings are most predominantly in the northern parts of the state.

Successive Labor governments have been funding the Open Level Crossing Protection Strategy for over a decade. The strategy commenced in 1999 with expenditure of \$13.8 million and has been extended under the renewed contract for the period 2006 to 2013 with additional funding of approximately \$17 million. Work undertaken includes risk assessments and implementing additional control measures to manage risks for public level crossings. All 1,305 open level crossings on the supported rail network have been assessed using the Australian Level Crossing Assessment Model and 1,280 of these have been upgraded. The remainder are to be upgraded this month.

To explain what that means, there is an agreed assessment model about where are the greatest risks. Obviously with such an enormous number of open level crossings there needs to be some determination about what kind of protection is provided at which of those level crossings with the riskiest obviously getting the highest level of protection, like the boom gates that are being provided right now

under this federal program. Those assessments are done; new boom gates have been provided. In addition, under the QR Level Crossing Task Force project Queensland Rail upgraded eight priority level crossings in North Queensland at a cost of \$10 million. Those upgrades were completed in April this year.

Other initiatives related to level crossing safety include, through SEQEB, \$150 million over 15 years for grade separation and there has been quite extensive advertising around level crossing and train safety.

CHAIR: That concludes the examination of the estimates for Queensland Rail. We will now examine the estimates for Queensland Transport. I thank those Queensland Rail witnesses for coming this afternoon and ask that the changeover occur as efficiently as possible, please. The question before the committee is that the proposed expenditure be agreed to. The first period of questioning is allocated to non-government members. I call the member for Maroochydore.

Ms SIMPSON: My question relates to budget paper 3, capital statement 121. Premier Peter Beattie stated in 2003 that the new Queensland driver's licence may not cost taxpayers anything, yet in your budget the project's cost has more than doubled to \$112 million since then, an increase in the last year alone of more than \$30 million, and now motorists will cop more than a doubling in their licences in the next few years. Why are taxpayers being gouged to pay for your government's economic bungling and what has gone so wrong with this project that it has more than doubled in cost?

Ms NOLAN: Let me answer specifically the many parts of that question. This project, when it was first proposed, and in the comments to which the member for Maroochydore refers, was envisaged as a public-private partnership such that the costs could be shared between the public and private sectors as a means of minimising the cost ultimately to the people. In 2007 tenders had been gone into for the PPP and it was decided that best value for money for taxpayers could not be found through that process and so government undertook the project as a straight government service delivery project. That was reported at the time. That has been on the public record now for three full years.

The new Queensland driver's licence will provide to the people of Queensland a much better product, a much higher quality of licence and much greater protection against identity fraud and identity theft. I entirely understand that we need to keep costs to the public to a minimum. I am the member for Ipswich. I very well understand that many people need government costs to stay down as best they can because for many people it is a genuine challenge to manage their household budgets from day to day. So I understand that while the cost has gone up those people need to be convinced, need to believe, that government is providing them with a better product for their extra hard-earned dollars. I believe, through this project, that that is exactly what we are doing.

The old Queensland driver's licence looks like this. It is clearly not a secure form of personal identification. The new Queensland driver's licence looks like this. It simply looks more modern and it is. It has a biometric image. It has other forms of security: holograms, watermarks and a chip with public key infrastructure on it which allows the card to be authenticated. This is a much more secure form of identification for the people of Queensland and that is exactly what they will get for their money.

Ms SIMPSON: Minister, in the last year alone there has been a \$30 million blowout on this project which is well and truly years past the changeover from the previous project that you talked about. Why has been there a \$30 million blowout in the last 12 months that was not budgeted for? This is a bungle, it is not? This is a mess. It is a sinkhole of costs that you are foisting onto motorists.

Ms NOLAN: As I said, I entirely understand that if costs are going up it is necessary to provide a much better quality product to people. I would refer the member to the recent comments of the RACQ when the new Queensland driver's licence was released. They, of course, speak for many hundreds of thousands of Queensland motorists. Mr Fites for the RACQ, on the day of this product's release, said this—

We are disappointed that the cost of obtaining a licence will be going up but expected this would be the case given the technology involved.

He went on to say—

On this occasion the government is delivering a better product and motorists only have to pay for it every five years.

In relation to the member's question about what has changed over the last year, I think there are a couple of things that need to be understood. Contracts were entered into for the provision of technology around the new Queensland driver's licence late in the last financial year, and running through into this financial year final decisions were made about how the new system would integrate into the department's existing IT systems, notably the department's data base which is called TRAILS. Further, over the last 12 months further information has come to hand around police costs and also further information has come to hand about things like changes to police stations and customer service centres that are needed to provide for the new system to be put in place. So there are some changes to police stations and customer service centres that will happen in order for this new system to be set up.

The old system was really pretty simple. You took a Polaroid style photo, you put it on a piece of cardboard in the customer service centre and you ran it through the laminating machine. That was simple and inexpensive, but it was not, I do not think anyone can argue, an appropriate primary form of identification in this modern world. The new system is certainly more expensive to run, but the advantage of that is that members of the Queensland public will have a much more secure form of personal identification as a result.

Ms SIMPSON: Could you explain how many days it will take motorists to receive their new driver's licence after they go into the customer service centre and apply?

Ms NOLAN: The new driver's licence will be turned around obviously as quickly as possible. Under the current system people go into the customer service centre, they have their photograph taken, the card is laminated on the spot and they walk out with a licence in their hand, but the problem for them is that that is not, I think, a sufficiently secure system for the modern world.

Under the new system people will go into the customer service centre, they will not have an old style Polaroid photo taken; they will have a biometric image of their face taken which records 16 key points on that person's face and makes it impossible for another person to subsequently come along and say, 'I am Fiona Simpson. Here is my birth certificate. I want an identification card in that name.' Because of the new technology that is involved, the cards will no longer be produced in the police station or in the customer service centre. What instead will happen is that that information will be securely transmitted to a secure production facility, the card will be produced and it will be sent to the person in the mail. When you apply for a credit card you do not have the card produced in the bank and walk out with it on the spot. I think Queenslanders are quite used to the idea that for a complex technical system you go in, you apply and then it comes out to you subsequently.

I understand that that is a change, but again what people will get in exchange for the change is a much more secure form of primary personal identification. Queenslanders will be much more protected than they are now against the growing crime of identity theft.

Ms SIMPSON: You did not answer my question and that was how long will it take before they actually get their licence. So I ask the minister again how long will it take before they get their real licence and what are they left with in the meantime? A really smart but altogether paper receipt? That is the major concern.

Ms NOLAN: Sorry about that. It is currently expected that it will take 10 business days from when you front up and make application for your licence to that licence arriving in the mail. In the meantime you will have a receipt that indicates that you are a licensed driver.

Ms SIMPSON: That is potentially two weeks and you only have a little paper receipt.

CHAIR: Order, member for Maroochydhore. You have asked your question.

Ms NOLAN: That is the system that currently operates in other states, certainly in Victoria and I think also in New South Wales. It is hardly a revolutionary change. It is similarly the system that operates, for instance, if you seek to get a credit card or perhaps if you seek to apply for a passport. No-one thinks that you front up to the post office, apply for your passport and walk out with the passport in your hand.

I am not sure if the member for Maroochydhore is proposing that every customer service centre and police station should have all of the secure infrastructure that would be needed to produce such a high-tech licence on the spot. If that is the proposition, then of course the cost of a new Queensland driver's licence with that set-up would be well in the thousands of dollars for everyone. Yes, it is the case that the system will change from the current system. That will be something with which people are obviously a little bit familiar because that is how it works for credit cards now, it is how it works interstate now, it is how it works for the passport now. The benefit to the people of Queensland is that they will get a secure form of identification that looks like this, not an old-fashioned form of identification that looks like that. It seems to me from the member for Maroochydhore's proposition that there can only be two conclusions reached. Either the member for Maroochydhore thinks that a polaroid photo in a laminated screen is an appropriate form of identification for this century or she thinks that all of the infrastructure to create these far more modern and secure cards should be set up in every single licensing centre in which case every driver's licence would cost thousands and thousands of dollars.

Ms SIMPSON: Minister, will this temporary paper receipt that licence applicants are getting not end up being a de facto driver's licence for the next two weeks and potentially open for fraud purposes, undermining the security of the system?

Ms NOLAN: No. The way in which this provides people with a more secure form of identity is that people, of course, use this in their day-to-day life. This is the form of ID that most—

Ms SIMPSON: The temporary receipt you get can be used for the next two weeks while you are waiting for the card. That is the point I am making.

CHAIR: Member for Maroochydhore, you will cease interjecting.

Ms NOLAN: The way in which people are protected from identity fraud is that—the key security element of the new driver’s licensing system is the biometric image. That means that when you go in and you get your new driver’s licence, a biometric image is taken of your face and that is recorded on a secure IT system. As a result it would not be possible for someone else, even an identical twin, to subsequently go into a customer service centre and seek to have identification made out in your name. That is the way in which people are protected. What the member is suggesting is that the paper receipt will somehow be used fraudulently as a form of identification, and that is quite simply not the case. What the paper receipt will allow the individual—you and I—to do is show a police officer, for instance, that they are, during that waiting period, a licensed driver. But that is not the same as this being able to be used as a form of identification during that period. So the premise of the member’s question that the paper receipt will somehow lead to identity theft in itself is quite simply false.

The answer to the question is twofold. Firstly, Queenslanders will have a far more secure, modern form of identification that will protect them from identity theft and be an appropriate form of ID. Most of us use our driver’s licence as our day-to-day form of ID, and this is an appropriately secure system for the modern world. Secondly, it is the case—and government has been totally explicit about this from day one—that the licence will no longer be produced on the spot. That is because the only way to do it securely is to produce the card in a secure location and I think Queenslanders, who are used to doing this for a credit card or a passport, will understand that that is the way it has to be.

Ms SIMPSON: Minister, what will a smart chip in the new driver’s licence do, given that the address is now printed on the outside of the card—originally it was supposed to be inside the card—and presumably when people go and change their place of address they will have a little sticker on the back of the card like they currently do? What has changed for such an expensive mess?

Ms NOLAN: There are two parts to that question and I will answer them one by one. The chip contains a number of pieces of information. Firstly, the member is correct, the chip contains the information which is recorded on the card: who you are, where you live, what form of licence you have, is it a heavy licence or is it an ordinary licence for driving a passenger car? It includes your name, your date of birth, your gender, your height—all of those things that are also produced on the card. But more than that, the chip also contains what is called Public Key Infrastructure and digital certificates. That is the information that allows authentication of the card and authorisation of access to information that is stored on the card’s chip. That means if someone tried to fake one of these cards they might—I think it would be a stretch because this is a pretty complex piece of identification. But if someone tried to fake a card they may come up with something that looked like a new Queensland driver’s licence. However, when the customer service centre or the police ran it through their reader, that card would not have the chip that allows its authentication. What the chip does is provide the information that allows for its authentication. That is the key focus of why this chip is important. The member then went on to say—

Ms SIMPSON: So authenticate the paper receipts?

CHAIR: Order!

Ms NOLAN: The member then went on to say, ‘Is that all you get?’ Of course the chip is not all you get. The other things that you get as part of this more secure system, as I have already outlined for the benefit of the committee, are you also get all the advantages of a biometric image and you also get the other security measures which are built into the card like the hologram, the shadowing and the watermark. There is not just a single element that makes this card secure; there is a number of elements that make this card secure, and the chip is the key one that allows for the card’s authentication.

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

Ms FARMER: The Queensland government is continuing its record building program and investment in improved services in this budget, as outlined in the Service Delivery Statement. Can you outline the commitments in your portfolio? Are there any alternative policies?

Ms NOLAN: I thank the member for Bulimba for the question. This government, as is well known, is continuing its record building program and investment in improved services through this year’s budget. The 2010-11 state budget provides \$7.3 billion in transport and road infrastructure for the state, with \$4 billion allocated to transport and \$3.3 billion for roads. The total capital investment in the public transport system has increased by 11 per cent from \$3.6 billion to \$4 billion in 2010-11. In addition, the government has committed \$1.4 billion to TransLink to create accessible, reliable, efficient and safe public transport services across South-East Queensland. This investment is up from the 2009-10 state budget of \$1.2 billion. Finally, the department’s controlled operating budget, that is the core functions of the department itself, increases by three per cent.

The Bligh government is committed to the delivery of infrastructure and that is why we are continuing with our program of asset sales. That is so we can return our balance sheet to AAA, but it is also so that we can get the private sector to take on some of the commercial capital requirements, such as expansion of the coal network, in the coming years. Our priority will always be the provision of quality public infrastructure like roads, hospitals, public transport and schools. That is the Bligh government’s economic plan. So what then is the opposition’s?

It is not entirely clear. They say they want to reduce debt. They have consistently said that a reduction of debt is their No. 1 economic priority. So why then do they go continually announcing new, unfunded projects? The member for Maroochydore herself has, in recent times, announced a Petrie to Kippa-Ring rail line worth a billion dollars; Torres Strait air services, around \$40 million; automatic train protection, \$300 million to \$500 million; that there would not be any changes to car registration, which takes you down by \$200 million; a new overpass at Telegraph Road, \$40 million; that they would keep the fuel subsidy, \$600 million; that they would extend rail to Coolangatta, which would be \$1.5 billion; that they would eliminate curved platforms on the Citytrain network, which is a big call coming in at more than \$1 billion; and that they would start running passenger trains to Beaudesert at a cost of around half a million dollars. In total that is a capital spend of \$5.4 billion—totally unfunded—from an opposition which claims that debt reduction is its primary goal.

Ms van LITSENBURG: Minister, I refer to the TransLink section of the Service Delivery Statements on page 2-145. Public transport is one of the most important services that government can provide. Is public transport patronage growing? How is the government responding to this growth?

Ms NOLAN: Thank you, member for Redcliffe. Public transport patronage is growing, which I think is a sign that in South-East Queensland, which is what your question related to, but also across the regional centres a real change is being made in the direction of sustainability in urban areas. Since 2004 patronage on the TransLink network has increased almost 50 per cent, from 123 million trips to over 180 million trips this year. This is around five times the population growth. Over 700,000 trips are taken across the TransLink network each and every day. These very impressive patronage figures are in response to the record level of funding injected into the TransLink network by the Bligh government.

In 2009-10 the government's contribution to running South-East Queensland's public transport system is expected to be \$895 million. For every dollar spent by the customer on public transport, the government contributes \$3. That is an extraordinary level of investment. To cope with the level of demand that we are seeing, this government has continued to roll out new seats on the network. Our investment in new seats and new services has seen overcrowding on trains decline from 43 per cent of peak morning services in 2008 to 28 per cent in 2010, a 15 per cent decline.

Last year members will recall that I made a commitment to deliver 301,000 new seats in the 2009-10 financial year on the TransLink network. On 2 July I announced that we had delivered on that commitment. That equates to seated capacity for 15 million additional public transport trips across the next financial year. Those new services are broken down by 30,000 additional weekly seats on the Gold Coast, Cleveland, Ipswich, Doomben and Rosewood railway lines; 215,000 weekly bus seats across Brisbane; 40,000 weekly bus seats across the Gold Coast; 10,000 in the Logan and Park Ridge area; and 8,000 additional seats on Brisbane's CityCat services—all paid for by this government investing more in public transport.

I think what is notable here is that the opposition went to the last election promising three per cent service cuts. If that had happened, there would have been 170,000 fewer seats on South-East Queensland's public transport network over the last year. I think the difference between a 301,000 seat increase and a 170,000 seat cut is abundantly clear.

Mr MOORHEAD: Minister, my question is in relation to the go card. I have always found my go card to be very convenient, but I know the go card has been disparaged by some members of the opposition. Can you advise how the go card is performing?

Ms NOLAN: I thank the member for Waterford for the question. The go card is performing really well, with over 113 million trips taken on the card since its inception just a couple of years ago in 2008. Well over one million cards have been issued to the public, storing a value now of \$260 million. Every day on the public transport network now more than 63 per cent of trips are taken by a go card. That has increased from just over 30 per cent about six months ago. So there has been a huge take-up in go card usage through the course of this year.

There is, however, one group that is very much yet to embrace the go card, and that is the opposition. The opposition spokesperson for transport has been quoted as saying, despite the numbers I have just talked about—one million go cards, 63 per cent of trips—that 'the go card rollout has been a debacle and a fiasco'. It is an interesting comment and it is in pretty stark contrast to what the industry thinks. In a feature article on smart card ticketing in the June edition of the *Australasian Bus and Coach*, Brisbane was coupled with London, where they operate the Oyster card, as an example of how to implement such a large what they called 'turnkey' project.

Similarly, South-East Queensland is streets ahead of other Australian cities. Sydney has for years been trying to get up an integrated ticketing system. It only recently aborted its contract for what was to be called the Tcard. In Melbourne, the myki system is on track, according to yesterday's *Australian Financial Review*, at a cost of \$1.4 billion, and their myki system is only at this stage used on limited services. TransLink over the last six or nine months has more than doubled the size of the go card retail network to over 530 locations where you can buy a go card. You can also top up at over 1,000 locations and you can also do it quite conveniently online or by ringing the TransLink call centre.

While there are multiple ways to buy and top up the go card, we want to make it even easier. That is why we are rolling out an extra 23 buy and top up machines at busway stations and also encouraging people to sign up to auto top up so you do not have to worry about going back and topping up your go card. This has been, I think, a very successful implementation—around 30 per cent to 63 per cent over the course of this year and more than one million go cards out there.

Ms FARMER: Minister, I refer to page 2-147 of the Service Delivery Statements in relation to bus services. I understand that the Queensland government is the majority funder of Brisbane City Council bus services. Can you outline the funding split with Brisbane City Council and how this has changed over time?

Ms NOLAN: I thank the member for Bulimba. I certainly can. I am more than happy to talk about the contribution we make to public transport in Brisbane, as I am for South-East Queensland and of course across the broader state. In the last financial year, the state government contributed \$91 million to the operation of Brisbane transport buses—that is, the blue and yellow buses that you see running around town. That is part of the \$895 million the government spent in 2009-10 on TransLink services more broadly. The Bligh government and Labor's commitment to public transport is clear, but the same cannot be said for the other side of politics. Let me give you some examples.

At a Commonwealth level, the former Howard government, members will recall, contributed absolutely nothing to public transport infrastructure over the course of 11 long years in government. In contrast, in three years, the federal Labor government in its first term has provided \$365 million to this state for Gold Coast Rapid Transit and \$20 million for the planning of Cross River Rail. In WA, the former Labor government was enormously focused on public transport, introducing an integrated ticketing system and building a new rail line to Mandurah, as well as delivering new trains. In contrast, now that there is a conservative government in WA, no new trains are being ordered and, as a result, new trains will not in future be built through Downer EDI in Maryborough for the WA system.

In Brisbane, in 2004, when there was a Labor administration, the split was fifty-fifty for the provision of public transport buses between the state government and the Brisbane City Council. There has now been an LNP administration at City Hall for six years. Over that time, the BCC's share of funding has declined to now be less than 40 per cent of the cost of operating Brisbane City Council buses. On top of that, the state has principally funded the 500 new buses that you see running around on Brisbane city streets. So that is the conservatives' record at a Commonwealth and a local level when in power.

So when we come to the state opposition and what they call their efficiency dividend, how would that impact on public transport here? If this opposition were to implement a three per cent cut, that would mean a reduction of 170,000 seats a week on the public transport network. I think that is clear: no money at the Commonwealth level; no continuation of growth at a state level in WA; a declining share to Brisbane transport when the LNP is running City Hall; and a commitment at a state level to cut public transport funding in Brisbane.

CHAIR: Minister, we have heard that the government is investing in better public transport in South-East Queensland. What is the government investing in public transport in rural and regional Queensland, as mentioned on page 2-125 of the Service Delivery Statements?

Ms NOLAN: Chair, thank you. We are, of course, firmly of the belief that access to regional and rural Queensland is essential to keeping the regions of this state strong. That is why in 2009-10 the Bligh government funded \$157.7 million in regional travel subsidies. This includes \$9½ million for regional air services, \$3.2 million for long distance coach services and \$145 million for long distance Traveltrain passenger rail services. These long distance services provide essential access to medical, educational, cultural and business services for rural and remote communities.

We also regulated several long distance routes to guarantee the sustainability of those services into the future. In the last year those services carried just under 800,000—799,200—passengers and consisted of 238,000 passengers on about 7,500 regional air services. I think it needs to be understood that there are a number of remote communities in Queensland that only have regular timetabled air services because the state makes a very substantial funding contribution to their operation. Also, 121,000 people travelled on about 7,200 long distance coach services and 440,000 people travelled on about 2,500 Traveltrain services.

In late 2009, new air service contracts were awarded to Skytrans, Regional Express and QantasLink. Members will recall that in 2009 MacAir airlines collapsed, and they were the contracted long distance air service operator. Government very quickly stepped in and replaced those services initially with emergency contracts for other providers and then with longer term permanent contracts which have seen a much higher quality of service which is, I think, broadly accepted. There is a high level of support for those services in some remote communities.

Since entering into those service contracts, on-time performance on those long distance routes has improved from around 26 per cent—not a great record—in 2008 by MacAir to around 95 per cent with the new operators. My point is that the government has a strong commitment to providing long distance subsidised services in remote communities, and they are now getting a much better level of service under new operators than they were before.

CHAIR: Minister, page 2-125 of the Service Delivery Statement also mentions urban public transport services. What improvements have been made to public transport in regional cities over the last 12 months?

Ms NOLAN: Thank you, Chair, for the question. In the last 12 months \$30 million was spent delivering what is called qconnect bus services, benefiting almost 12 million passengers. While in South-East Queensland members know that we have the TransLink network, in regional parts of the state—in regional centres such as Townsville, Mackay, Rocky, Warwick and all of those regional towns—we also provide what is called qconnect services, which are the 100 per cent state funded local bus services in those communities. The department, in partnership with the Transit Australia Group, has delivered over 50 new buses this year at a cost of over \$25 million to the major regional cities. These new services are being delivered in Cairns, where 24 new buses—they are the ones that operate as Sunbus—are being rolled out; in Townsville, there are 19 new buses; and Rocky is getting 11 brand-new buses at the moment.

We also provided assistance to bus companies to purchase 11 accessible buses in Mackay, Gladstone, Toowoomba and Yeppoon. This brings the total number of buses funded under our program to 197 buses, which means that in regional Queensland 85 per cent of the total bus fleet is now wheelchair accessible, because the new buses are much wider at the entrance and they have low floors. They are much easier to access if you are in a wheelchair or pushing a pram. The new buses are also environmentally friendly. They obviously take cars off the road and reduce greenhouse emissions by encouraging the use of public transport. But the new buses, not surprisingly, have far greater fuel efficiency and better emissions ratings than do the old buses which they are replacing.

Under this bus replacement program, many of these vehicles are also built in Queensland. Because we do not have an automotive industry domestically so much any more, people do not realise that buses generally are made right here. The Brisbane transport buses, which we pay to operate, are made out near the airport but there is also a major bus manufacturing facility where many of these regional buses have been made and that is on the Gold Coast.

CHAIR: The time for government questions has expired. We now go back to non-government questions. I call the member for Nanango.

Mrs PRATT: I apologise, Minister, for being late. I am sorry that I probably missed the important bits—well, we hope they were important. In saying that, the chair touched on rural transport. As you know, we do not want the problems of public transport but we would really love some public transport out our way. It has been reported that there will be quite a considerable increase in the revenue that will be raised from the new licences and the new registration. I am going to be a bit parochial here. What percentage of that revenue would you expect to go into centres like the South Burnett that do not have any transport services?

Ms NOLAN: Thank you for the question. The premise of the question is not entirely right. It is the case that the cost of licensing will be going up, but the additional cost of licensing goes into the technology involved in the production of the new licence. Whilst you might have been optimistic, there is not a revenue pool that is coming directly from the new Queensland driver's licence which could be directed to a bus service for Kingaroy, for instance. Similarly, while there has been a change to vehicle registration fees which was announced in about November 2008, we spend more than twice as much on roads right across the state as is collected in those registration fees. So it is not the case that that change in itself creates a pool of funds that could be directed for public transport. Both of those things are barely paying for the service to which they are principally directed.

Nonetheless, I know that you have written to me about local public transport services and I have asked my department to follow up on some of those matters that you have raised. For instance, where a school bus service is being provided, is it possible to do more around making that available as a service for non-school passengers as well? I think you have also written to me about health passenger services and whether we can make better utilisation of some of the infrastructure that is there.

I am really keen to work with you around some of that. In really small communities where it might not be possible to provide anything like an economically viable regular scheduled bus service, the state is quite often still providing transport services through health passenger transport, through the Home and Community Care Program—which is obviously not my responsibility but it provides buses to welfare organisations—and through school transport services as well. So I think we might be able to do more work together around better utilising some of the transport infrastructure that is being provided in some of those communities to provide a better kind of passenger service.

Mrs PRATT: I acknowledge what you said about the funding going for roads et cetera. Might I just quickly say here that we have so many trucks on our roads at the moment because we have no rail services, so if you want to hand us another bucketful we would really be able to use that money. My next question is a totally different thing. Correct me if I am wrong, but are you responsible for safety on the water?

Ms NOLAN: Yes.

Mrs PRATT: This question will be a little bit of out of left field. I know there are barriers put around barramundi farms and things like that for transport coming in, and you probably know where I am going with this.

Ms NOLAN: No.

Mrs PRATT: You don't? We have constituents involved in the pearl industry now and boats are trespassing—well, it is not trespassing because they are allowed to go there, but the lines and everything are catching around propellers et cetera which would cause a hazard to the boating that is going through that area. It is costing a fortune for the people who are in the pearl industry. Have you looked at that at all?

Ms NOLAN: I have to say that this issue is new to me.

Mrs PRATT: I am surprised because it was my understanding that there had been a meeting.

CHAIR: The minister has the call.

Mrs PRATT: I am sorry.

Ms NOLAN: I am not familiar with the issue, but I do have a responsibility, as you identify, for maritime safety through Maritime Safety Queensland. It may be that departmental officers have a familiarity with those issues. I am happy to ask officers from my department to contact you and get some more detail from you and do some work with you as to whether boating safety can be improved as a result of those issues that you raise.

Mrs PRATT: Thank you.

Ms SIMPSON: Minister, I refer to Capital Statement page 125 or page 122. Last year, the minister budgeted \$1.148 million on integrated ticketing equipment for the go card—the so-called smart card for public transport—but spent more than \$12 million, which was a \$10 million blow-out. This year, you estimate that you will spend nearly \$5 million more, with the total budget now expected to exceed \$22 million—a tripling of the original project cost. Minister, in regard to this year's unbudgeted cost blow-out, what was the reason for this and who authorised it?

Ms NOLAN: Can you just tell me the page you are on again?

Ms SIMPSON: It is page 122 of Capital Statement 2010-11, compared with page 125 of last year's Capital Statement.

Ms NOLAN: The additional cost is largely in relation to the expansion of the go card retail network. As I touched on earlier, there are now more than 500 places—off the top of my head, it is 536 places—in South-East Queensland where a person can buy a go card and there are obviously a substantial number of places as well where those go cards can be topped up. People can also do that by ringing the TransLink call centre or by going online. The expansion of the retail network has been, for instance, with new machines which have been placed at bus stations. The retail network has been expanded through go cards being available in a whole new network of newsagents and railway stations. Over the last six or nine months, there has been an enormous expansion in the number of places where people can buy and top up go cards. The government has done that in order to make access to the go card system easier for people.

We will install up to 30 new go card readers at priority railway stations during 2010 to reduce queues when boarding and alighting trains, because obviously we want people to be able to roll up at the station and very easily touch on and then touch off at the end of their journey. I talked about bus stations. There have been 17 new ticket machines installed at busway stations and major bus interchanges, and a further 23 are being rolled out at present.

I think it is fair to say that, while other jurisdictions have frankly struggled to get a major integrated electronic card system up and running, it has worked very well in South-East Queensland. Despite the opposition's ongoing criticism of the system, we now have more than 60 per cent of public transport trips very easily being taken using a go card. That has involved, obviously, a cost because we have very substantially increased the network in order to make it easier for people. That is what in large part has driven that growth.

Ms SIMPSON: Minister, last year's budget did not allow for the expenditure, and we warned the minister and the department that you did not have enough go card facilities for purchase or top-up before you rushed into forcing people to change over with the fare increase. In fact, this year's budget papers only confirmed what we warned you about—that you had not allowed for enough outlets for

people to buy these without being penalised with the higher fares. Will the minister explain why this was not in fact allowed for in last year's budget and why we instead have the \$10 million blow-out because the mad scurry to provide services was done at the last moment and at great cost?

Ms NOLAN: Mr Chair, the shadow minister wants to talk about the opposition's record when it comes to commentary around the go card. What is the opposition's record in this regard? Well, when the member for Clayfield was the shadow minister for transport and the go card was being rolled out, his contribution was to describe the go card as the slow card and the dumb card. The member for Maroochydore in her role, as I touched on earlier, has constantly disparaged this rollout, describing it as a debacle and a fiasco.

I think the people of South-East Queensland—well over a million of whom have a go card, and hundreds of thousands of whom very happily use theirs every day—are voting with their feet in this regard. The fact is that South-East Queensland through this government has successfully rolled out an integrated ticketing system that hundreds of thousands of people are very easily using and enjoying the benefits of, and they are doing that every day of the week. What this opposition has contributed, Mr Chair, is constant disparagement of that without ever—at any point—suggesting an alternative. So, yes, Mr Chair, there is a cost involved in rolling out a retail network. There is a cost involved in having—

Ms SIMPSON: You didn't budget for it last year.

CHAIR: Order!

Ms NOLAN: There is a cost involved in having enough go card readers so that people can very easily touch on and touch off without, for instance, having to wait in a queue. That is absolutely the case. But what exactly is the alternative that this opposition is suggesting? It is further the case, as the member well knows, that it was in October of last year—substantially after last year's budget—that the decision was made that we would massively expand the size of the go card network, that we would change the fare structure in order to encourage go card usage—and it is fair to say, subsequently, that that has been successful—and that we would move towards a paperless ticketing system. All of those decisions were made subsequent to last year's budget. They were publicly announced. The government also announced at the time that we would put further funds into TransLink in order to roll out, for instance, the 301,000 new seats and expand the retail network.

Ms SIMPSON: Minister, could you advise the committee what the capital cost is per go card user for the go card system to date plus the operational costs?

Ms NOLAN: Can you repeat the question please?

Ms SIMPSON: Could the minister advise the committee what the capital cost per go card user is to date plus the operational costs?

Ms NOLAN: Mr Chair, when the go card system was initially established and the technology for that system was rolled out up to 2008, the initial capital cost of go card was just under the \$100 million mark. Off the top of my head, I think it was \$99½ million. That stands in very stark contrast to other jurisdictions. Myki, as I said earlier, is talking about a cost of \$1.4 billion for a system that at this stage is not yet fully operational across the network. The New South Wales government is involved in very significant litigation with the proponents of the Tcard system, and it has to this point not yet managed to operate a system successfully across the greater Sydney network.

It is the case that the government through TransLink has an ongoing contract with the providers of go card—Cubic Transportation Systems. They are a company who are American based. They run the London oyster card. They are well recognised as a leader in this field. The contract with them was entered into back in 2003. That is an ongoing contract. TransLink continues to pay Cubic for the provision of their system and of their services. It is not the case that that contract is incremental. For instance, they do not get a cut of every go card sold or anything like that. The bottom line is that when the system was set up it cost just on \$100 million. It is now operating very effectively. That record is very substantially ahead of that which has been experienced in other states.

Ms SIMPSON: Our wish is to see this work and to work cost-effectively. That is why we were concerned when battlers did not have access to go card top-up facilities or places of purchase—

Ms NOLAN: You can try to justify the things that you said as much as you like.

CHAIR: Minister, please.

Ms SIMPSON: With regard to some ongoing glitches in the system, I refer to the GPS system on buses continuing to still drop out in some areas. I note the minister's correspondence on the issue when I raised this issue. I will table that. I seek the minister's advice as to how extensive the problem with the go card GPS system falling out is and how it is costing passengers? Why have they not been advised? What is going to be done to fix it?

Ms NOLAN: Can I have a look at the tabled document?

Ms SIMPSON: Sure.

Ms NOLAN: The go card system is very reliable and robust and meets world-class standards. In terms of the reliability of the system broadly, equipment at railway stations, including gates, stand-alone readers and ticket machines, is operational more than 99 per cent of time. To cut to your question specifically, on buses it is operational 98 per cent of the time. It is occasionally the case that the GPS system, as you say, drops out and loses contact with the mother ship. When that occurs the bus driver has the capacity to manually override the system. Bus drivers know what to do. They can do that quite easily.

What you were inferring was that it would somehow involve a cost to the passenger on the bus if the system dropped out between when they touched on and when they touched off. The manual override provision—the driver control unit—has that function which means that the bus passenger is not disadvantaged. If that happens, the bus driver simply overrides it and the person automatically pays the correct fare. The system still knows where they are when they touch off.

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

Ms FARMER: I refer to page 2-117 of the Service Delivery Statements and the department's objective to promote road safety. I note that the road toll is still lower than last year, which is an encouraging result. What are you and your department doing to ensure this trend continues, and do these initiatives have bipartisan support?

Ms NOLAN: I thank the member for Bulimba for the question. Road safety is obviously a very serious and weighty responsibility and one to which I give a great deal of thought. I think Queenslanders sometimes feel that they get road safety messages constantly. I think that it can almost become a form of background noise.

What I would say to Queenslanders is that it is important to take heart. While the road toll remains a day-to-day tragedy in our community, an enormous difference has been made in terms of road safety in this state because we have consistently implemented good evidence based policy change.

The worst year ever on Queensland roads was 1973 when 32 people per hundred thousand of population died in road accidents. That is a shocking rate of deaths. Last year, on a per capita basis, was the best road toll Queensland has ever had at 7.49 deaths per hundred thousand of population. It is still a daily tragedy. But there has been an enormous change as a result of cars getting safer, better roads and good policy like compulsory seat belts, RBT and very active speed enforcement being put in place. What I would say to Queenslanders is that what they hear is not background noise, it is serious policy change. The evidence is that it is serious policy change that is working.

In December last year the government announced a major program of road safety reform involving much more active speed enforcement—covert cameras for the first time, digital cameras and point-to-point cameras. The reason we did that is that speed remains the biggest contributing cause of deaths on our roads.

The thing that I frankly find horrifying is that the opposition's response at the time was simply to label all of that change revenue raising and to indicate that the government was trying to make money not make the roads safer. The proof of the pudding, however, I think it is fair to say, is in the eating. The road toll now in Queensland is 35 per cent lower than it was at the same time last year. As I said a moment ago, last year was the best record on a per capita basis that this state has ever had. Road safety should be bipartisan and it particularly should be bipartisan when the changes that are being made have proven to be working.

Ms van LITSENBURG: Further to the previous question and again with reference to page 2-117 of the Service Delivery Statements, can you outline the progress in relation to the government's commitment to introduce alcohol interlocks?

Ms NOLAN: I thank the member for Redcliffe for the question, and I can. I just talked about speed, but the other major contributor to the road toll sadly continues in 2010 to be drink driving. We are very committed to taking a tough stance on drink driving and thereby continuing to reduce the road toll.

As part of this effort, I announced last year that we as a government would introduce alcohol ignition interlocks. In 2009 there were 70 road crash fatalities involving drink drivers or riders which was 21.1 per cent of the road toll. In recognition of the seriousness of that problem, the Premier and I announced the introduction of interlocks.

An interlock is a device fitted to a vehicle which requires the driver to pass a breath test. The vehicle will not start if there is any alcohol recorded on the driver's breath. The new legislation, which we put through the House earlier this year, will restrict all high-level and repeat drink drivers to driving vehicles fitted with an interlock as a condition of re-licensing following their disqualification period.

My department is currently evaluating the responses and suitability of private sector providers delivering an interlock service network. Submissions from providers were requested through a procurement process which closed just last month. It is planned that the first interlocks will be installed in offenders' vehicles by December this year.

Interlocks form one component of a suite of drink-driving initiatives that this government is introducing. Others include a zero blood alcohol count for all learner, provisional and probationary licence holders regardless of their age. That commenced on 1 July. It previously only applied to young P platers not to P platers regardless of their age. We have also introduced from 1 July a zero BAC limit for all RE motorcycle licence holders in their first 12 months of holding that licence.

We are also currently finalising a comprehensive drink-driving review that includes extensive public consultation which has happened over recent months. I look forward to the results of this review which will inform future government policy on drink driving. We stand by our commitment to continue to cut drink driving in order to make the roads right across Queensland safer.

Mr MOORHEAD: I refer to page 2-113 of the Service Delivery Statements and the department's strategic objectives. What is the Queensland government doing to encourage more sustainable transport options?

Ms NOLAN: I thank the member for Waterford for the question. As you well know, I think that sustainability is absolutely critical. That is why we are rolling out such a major public transport network. That is why we are always looking for the next policy agenda in terms of sustainability. That is why we are providing \$22.6 million, a very substantial amount of money, to deliver the world's largest travel behaviour change program to 324,000 households throughout Brisbane south, Ipswich, the Gold Coast and the Sunshine Coast.

The program that we are delivering is called TravelSmart. I think it is a very good idea. What TravelSmart involves is talking to householders directly about their travel choices. Lots of us simply drive the car because it is the easiest thing to do. We have not thought about getting around in a different way. But all of us, I think, have a commitment to healthier lifestyles and a commitment to sustainability.

The way TravelSmart works is that suburb by suburb contractors working for my department contact households and ask them the simple question: would you be interested in finding out about more sustainable travel options that are available to you? Of course, when asked that question many people say, 'Yes, I would be very interested in that.' We have a take-up rate quite consistently of more than 50 per cent of households contacted.

If people get the letter and say that they would be interested in this we then send someone out to talk to those people about where they go and why they go there. Do they take the kids to school over here and drive to work somewhere else? We then provide those people with real information targeted to their lives and their part of the world. We outline what their travel options might be.

We might advise people that there is a bus service that picks people up down the road that could sustainably take their kids to school. We might say, 'Did you know that there is a bike path that goes from just near here to the place where you work or where your kids play soccer on a Saturday morning?' We provide public transport timetables and a range of information about more sustainable travel options in their local community. We also talk to people about the possibility of car pooling.

What we have found when we rolled out TravelSmart—it was first rolled out in Brisbane north—was that it led to a 13 per cent decrease in private car trips. This was simply by giving people information and encouraging them to think about more sustainable travel options for them.

Ms FARMER: Again I refer to the department's objective of a sustainable transport system on page 2-117 of the Service Delivery Statements. I am aware that Don Henry from the Australian Conservation Foundation recently launched the new Office of Sustainable Transport. Can you explain the role of this office?

Ms NOLAN: I can. The Office of Sustainable Transport was something that I prioritised and first announced at budget estimates here last year. It has, since that announcement, been established. As you know, Don Henry, the Executive Director of the Australian Conservation Foundation, officially opened that office just a little while ago.

I think the evidence suggests that we are making significant inroads around more sustainable transport options by replacing old buses right across the state, as I talked about; by rolling out a more comprehensive public transport system, again, in South-East Queensland and across the state; and by delivering a TravelSmart program which gets people to think about what their travel options are. So then the question becomes: what is the next agenda? If we are going to be always breaking new boundaries on sustainable transport, what is the next good idea that government needs to deliver in future? That is the purpose of the Office of Sustainable Transport. I have established within the department a specific policy office which will do the research around the next lot of sustainable travel options from which all Queenslanders can benefit. Transport is the fourth largest source of Queensland's greenhouse gas emissions, accounting for more than 12 per cent of the state's total emissions in 2008. So transport is a very big contributor, frankly, to climate change. I am dedicated to minimising Queensland's transport greenhouse gas emissions and my department is committed to achieving this through a number of targeted initiatives led by the new office.

The Office of Sustainable Transport is leading the development right now of the whole-of-government oil vulnerability mitigation strategy. It is doing a great deal of work in conjunction with the Office of Climate Change around an electric vehicle road map, because we as a state need to be ready for that very significant change, should it take place, from petrol vehicles to electric vehicles. Under Queensland's revised climate change strategy, ClimateQ: Toward a Greener Queensland, which was released last year, the office plays an essential role in managing and supporting a range of initiatives. We are currently running a \$1.4 million low-emission bus trial to test the viability of hybrid electric buses under Queensland conditions. There is a range of initiatives—things like greening the taxi fleet, running hybrid buses and preparing for peak oil—that the Office of Sustainable Transport is actively engaged in.

CHAIR: The committee will adjourn for a short break and resume at 3.30 to continue with the estimates for the department of transport.

Proceedings suspended from 3.17 pm to 3.30 pm

CHAIR: The hearing is now resumed. We will continue to examine the estimates for the department of transport. The question before the committee is that the proposed expenditure be agreed to. The next period of questioning is allocated to non-government members. I call the member for Maroochydore.

Ms SIMPSON: Minister, I ask a question with regard to the answer you gave in response to question on notice No. 14 about compliance hours for officers. Minister, the answer to this question about transport officers working outside of daytime hours shows that there has been a massive fall-off in officers rostered to work at night. As one of their primary duties is to enforce trucking regulations—and many heavy trucks are on our roads at night—why has your department got its priorities wrong?

Ms NOLAN: It is an interesting question given that in the parliament the LNP argued that transport inspectors should not be out there policing high-occupancy vehicle lanes because they could not safely be on the roads, for instance, at night—

Ms SIMPSON: Because they should be after trucks.

Ms NOLAN:—and that that was the business that would best be left to police, hence engaging themselves in, I imagine, a fairly classic demarcation dispute. Firstly, I note the member for Maroochydore's new-found support for the professional role of transport inspectors in enforcing a range of safety elements across the broader state-wide road network.

There are currently 170 transport inspectors across the state. The department conducts regular programmed inspections of heavy vehicle and passenger transport vehicles. From 1 July 2009 to 30 April 2010, 60,936 inspections were conducted. Major state-wide operations conducted across the state included Operation Austrans for heavy vehicles, Operation Safe Driving Holiday for light vehicles—I knew a bit about that operation and I thought it was really a very good intervention in ensuring that at holiday time people who were going out on the roads, in some cases in Queensland for quite long journeys, were doing so in safe vehicles—and Operation Smoke and Mirrors which targeted heavy vehicles. Similarly, as I said, we have recently engaged transport inspectors in one new role—high-occupancy vehicle lane enforcement. The other thing that transport inspectors have significantly stepped up their role in during the last year is being out and about and checking on taxi compliance, and I think that that is something that has made a contribution to better quality in the taxi industry.

The member's specific question was around after-hours operations. I am advised that there has been a change in that regard because the department now has better intelligence about where to target operations and, as such, does not need to conduct heavy vehicles inspections which are quite as random as sitting by the road and seeing what comes along but are able to better target their hours at the vehicles which are potentially a problem and do so at a better range of times from an operational perspective.

Ms SIMPSON: Minister, the facts of the matter are that the answer to the question on notice reveals that there has actually been less hours worked at night, and these officers are primarily tasked with enforcing the rules with regard to the trucking industry. While I do support the appropriate enforcement of rules of compliance in the taxi industry, this clearly shows that there are fewer hours being worked at night when trucks are in fact on the roads. This is well known in the industry and there are complaints coming forward, not only from those in the industry who are doing the right thing but transport officers. I ask the minister to prove what she claims—that is, that the system is effective given that they are doing less at night.

Ms NOLAN: Sure. As I explained a moment ago, there have been some operational changes around better intelligence allowing for the better targeting of transport inspectors to where the problems really are, and that explains some change. But to cut to the premise of the member's question, the question on notice answer provided—I think she said question on notice No. 14—does not as the member suggests provide information that operational hours at night have decreased at all. In fact, what the question on notice refers to is total hours of operation and overtime hours of operation.

The member for Maroochydore has jumped to the conclusion that overtime hours of operation means work done at night. That is not in fact the case. The overtime hours of operations undertaken by transport inspectors did change from 2007-08 to 2008-09 from a rounded off 17,000 overtime hours in 2007-08 to 7,000 in 2008-09. As the answer clearly shows in a note at the bottom of the relevant page, the change was due to extensive flooding in some parts of the state which led to officers having to undertake increased disaster management activities resulting in an increase in the total number of hours worked. So what that means is that transport inspectors are one of the workforces across the state that really step up when there is a natural disaster, as do the RoadTek workers employed on the Main Roads side of this portfolio, as do council workers and as do, to some extent, Queensland Rail employees. Transport inspectors are one of those groups who, when there is an emergency, step up, put in the big hours, help people out and assist in recovering from disaster. The change in overtime hours—not hours at night—during that period relates to recovery from a natural disaster. The premise of the member's question is incorrect, and it was clear that that was incorrect in the answer that she was given in writing yesterday.

Ms SIMPSON: Minister, I am happy for you to now clarify that and put it on the record as to the number of operational hours that are being worked by transport officers with specific regard to the enforcement of the heavy vehicle regulations and for that to be provided in comparison to daytime hours, and also to provide a comparative for the last couple of years. It is important because we want to see our roads safe, and I am receiving complaints from your officers who say that they do not believe that they are being given the hours at night to go out there and do the job.

CHAIR: The minister can respond if she wants to.

Ms NOLAN: I understand that the member for Maroochydore is now massaging her question somewhat. The question that the member asked on notice was around hours worked and overtime worked, and I have provided an answer to that question. The member for Maroochydore then mistakenly assumed that the answer to the question around overtime hours referred to the matter of hours worked at night by these transport inspectors, and she managed to make that mistake notwithstanding the fact that the answer she was provided in writing clearly stated that the overtime hours related to natural disaster events. I understand that the member for Maroochydore is now asking a different question, and that is around hours worked at night.

As I have already said, yes, there has been some change, I am advised, in the nature of the hours worked by transport inspectors because transport inspectors now have better intelligence which allows for a targeting of compliance rather than random inspections, and I have answered that too. Nonetheless, I will ask my department to look at what information is available around daylight hour working as opposed to night-time hour working. But I think the committee will clearly understand that this is—

Ms SIMPSON: And weekends also.

CHAIR: Order, please!

Ms NOLAN: However, I think the committee will clearly understand that this is a new question which we have come to through a tortuous process of the member for Maroochydore initially misunderstanding the information that was provided to her despite the facts being clearly in front of her in black and white.

Ms SIMPSON: Minister, we in no light way take the issue of road safety when you are diverting transport officers to high-vehicle occupancy lanes in suburban areas, and I certainly welcome receiving that information on notice as promised.

Ms NOLAN: Is that a question?

Ms SIMPSON: Minister, my question with regard to regional freight—

Ms NOLAN: That is chitchat.

CHAIR: Order, please!

Ms SIMPSON: My question about regional freight in the SDS—

CHAIR: Order! I do not think the minister took any question on notice.

Ms NOLAN: I am happy to see if there is a breakdown on night-time and daytime.

Ms SIMPSON: I would also say that there is an issue also with weekend work, but it was the after-hours work that there were particular complaints about.

Ms NOLAN: The question evolves!

Ms SIMPSON: Well, it is a continuing concern when I have truckies and I have transport officers saying that they are not being put on after-hours—

Ms NOLAN: Well, I am very disappointed that you did not ask that question in the first place.

Ms SIMPSON:—and they want to keep the roads safe.

CHAIR: Order, Minister, please!

Ms SIMPSON: Minister, what work has your department done under your responsibility to consider the cost to the transport network of the increase in trucks as freight is moving from Queensland Rail?

Ms NOLAN: Freight is not moving from Queensland Rail. Every year Queensland Rail carts more tonnes than it has done in the year before very consistently. So the premise of the question that there is a broad diminution in the tonnages of rail freight carried is quite simply incorrect. In the coal network, for instance, there was—I think off the top of my head—a 13 per cent increase in the tonnages carried over the last financial year as compared to the year before, and that of course is the part of Queensland Rail which carries the broadest bulk. So the premise of the member's question that there is less being carried on Queensland Rail and, therefore, a move to road transport is quite simply incorrect.

Ms SIMPSON: Minister, I am happy to clarify the purposes of the estimates, which is about getting some actual information. I asked previously what the mode share was and what the mode shift was. We appreciate that there is a lot of coal being moved on Queensland Rail. However, there is an increasing movement of livestock onto roads and other general freight as well. I ask the minister if she can advise the estimates committee what the trends are estimated in freight with the mode split with the growth across those different types of freight throughout Queensland.

Ms NOLAN: The member's question is about mode share across a whole range of different things that get moved around this state. That is obviously a very complex one, but let me make some broad points about how this stuff works. As I said, not all freight is genuinely contestable. For instance, lots of freight moves from a factory to a retailer between which points there may not be a railway line. So in many cases there is no capacity for genuine contestability between road and rail freight. As such, to answer that question definitively—do you mind?

CHAIR: No.

Ms NOLAN: As such, to answer that question definitively, it would need to be asked a little more specifically about where it is contestable, where you are seeking to get at. But let me give you an example which would answer that. As I touched on earlier, in 2008, 30 per cent of the grain crop was moved on rail and, in 2009, after commercial contracts were put in place, 44 per cent of the grain crop was moved on rail. This is obviously an improvement in terms of sustainability and it also refutes the premise of the member's question that there is some broad shift in areas that are contestable from rail onto road. There are different circumstances for different commodities in different places, but it is not true to say that there is some abandonment of rail. There are many places where rail freight is operating very competitively and, indeed, as is the case with grain, taking up more tonnes and greater mode share all the time.

CHAIR: The time for non-government questions has well and truly expired. I call the member for Redcliffe.

Ms van LITSENBURG: Thank you. Minister, I refer to cycling, as mentioned on page 1-126 of the SDS. I note that the Australian Cycling Promotion Fund recently presented you with a national award for an outstanding contribution to cycling by a politician. Can you outline what the Queensland government is doing to introduce more cycling?

Ms NOLAN: I can indeed. The federal transport minister came second. This government is actively encouraging cycling for fun, for fitness and for transport through a range of projects and initiatives. We have seen over the last decade or so across Australia I think quite genuinely a cycling revolution underway. For the past 10 years in this country, every year more bikes have been sold than there have been cars. So the vast majority of people have a bike. The challenge, then, for transport departments, for transport ministers and for governments is to take that shift to cycling and to take it away from being a recreational phenomenon and make it into a mainstream transport option. That is something which has been successfully done in a number of parts of the world, but it is something that I would love to see successfully done here.

As a result, this government makes an enormous infrastructure contribution to cycling. Last year we spent \$100 million on cycling infrastructure in Queensland—on projects like the bike bridge across the Western Freeway near Anzac Park. We have just started work on a major bike path to get people safely moving from the northern suburbs to the CBD in Cairns. Across the state there are major cycling infrastructure projects. For instance, the Main Roads side of this department has a well-established policy that whenever a new road is built a cycle path becomes a part of that. Just this week you and I opened the fantastic new cycle path on the Ted Smout Bridge to Redcliffe, and the member for Bulimba and I not long before that joined the Premier in opening, again, the sensational new bike path across the Gateway Bridge which provides a tremendous safe link for cyclists.

We are promoting cycling through things like TravelSmart. We are building cycling infrastructure, with \$100 million spent last year, and we are also out there actively encouraging people to share the road, because people will ride if they can feel confident that cycling is a safe way of getting around. Members know that that is a real passion of mine, and I am confident that through that commitment we are genuinely encouraging cycling as a mode of transport, not just recreation.

CHAIR: Minister, I refer to page 2-124 of the Service Delivery Statements in relation to taxis. A lot has been said about declining standards in the taxi industry. What have you done to address these concerns and is it working?

Ms NOLAN: Mr Chair, it would be hard to argue that standards had not declined since you had stopped being a taxidriver, I am sure!

CHAIR: I think they were raised considerably when I left the industry.

Ms NOLAN: There has been a great deal of debate about standards in the taxi industry over the past number of years. My view on this matter has been from day one that it is necessary for government to act to improve standards in the taxi industry, but we need to do that by focusing on quality and on measurable quality—not on drivers' place of origin, as some have argued should be the case.

Last year I announced a range of reforms which were designed to improve safety and service standards in the taxi industry. What we did when this issue arose was to establish a taxi hotline so that members of the community could talk directly to my department and we could get a very clear sense about what it was that people were worried about and what it was that the community thought needed change. One of the issues that was raised was that some drivers were new to the place, had very little experience driving on Australian roads and in some cases did not know their way around. As a result, late last year I announced a new standard whereby people have to have had an Australian driver's licence for a full year before they can become a taxidriver. What that means is that you cannot arrive in the country, with no familiarity with the place or its driving conditions, and immediately become a cab driver.

That has made a very substantial difference to the number of new drivers coming through. Off the top of my head, in May last year there were 471 drivers becoming a new taxidriver in that month. By May this year that had declined to about 170. So there has been a substantial change as a result of the new standard, because it is now the case that you have to have been in the country for a year with a licence before you can become a taxidriver.

I introduced a minimum age of 20 years for people to be taxidrivers. There are more stringent English standards coming, and from the end of this year it will also be the case that there are national training standards, meaning that you have to do a course through a registered training organisation before you can become a taxidriver.

As I touched on earlier, we have very much stepped up taxi compliance activities, running 100 major enforcement operations in the taxi industry. It takes a little while for change to totally flow through, but we are very actively raising the bar of taxidriver quality right across the state.

CHAIR: Further to that reference, I am aware that you have released the taxi industry strategic plan and the Workplace Rights Ombudsman has released a report in the industry. Are you planning further changes to the taxi industry?

Ms NOLAN: Yes. The changes that I made were a very substantial initial step in changing the nature of the new workforce coming through and very much stepping up the extent to which things like roadworthiness checks and other checks on drivers and their vehicles take place. So that has been happening since about mid last year, but that is not by any means the end of the matter.

I also last year established a Taxi Industry Advisory Committee involving drivers from both South-East Queensland and the regions, involving the Ethnic Communities Council of Queensland in recognition of the fact that many of the drivers originate from overseas, involving the disability sector, because taxis are critical for people with mobility disabilities, and also involving the industry itself through the Taxi Council of Queensland and the major booking companies.

Out of that work I just recently released a Taxi Strategic Plan, which proposes some steps forward from this point. Key elements of the plan focus on initiatives that will achieve enhancements across key areas like safety, customer service, commercial viability, economic efficiency, industry fairness and a regulatory framework that ensures public benefit.

The draft strategic plan is now out for public consultation. It will stay open for public consultation until 2 August. It was extended because in the meantime the Workplace Rights Ombudsman has brought down his report, and I think the two documents need to be considered together. So we extended it so that the people could read that report and also provide feedback into my department's strategic plan.

One of the key elements of the plan is the development of a draft model taxi bailment agreement. One of the issues that drivers talk about is that not all drivers have the same kind of agreement with the taxi owner. Some of them might be getting 50 per cent of the money but some of them may negotiate an agreement for either more or less than that. One of the things that has—and you might know this, Mr Chair—been talked about for some time is bringing in a degree of consistency around that. So this strategic plan proposes a model agreement, and I am currently taking feedback from industry, from drivers and from anyone else who is interested about how that revenue-sharing split should work in the future.

Ms van LITSENBURG: Minister, many older people often find it difficult to make ends meet on fixed incomes. I note that page 2-113 sets an accessible transport system as a departmental objective. What transport concessions are proposed for older people?

Ms NOLAN: Thank you for the question. We entirely understand that older people, many of whom are living on pensions or on what are sometimes not enormous retirement savings, do not have the capacity to go out and work more hours if economic conditions get tighter. So it is important for older people, many of whom are on fixed incomes, to have transport concessions in order to maintain their quality of life.

In 2009-10 we as a government, recognising that, spent \$289.9 million on bus, rail and ferry concessions, school transport subsidies and subsidised taxi travel. Seniors who hold a Seniors Card, a Pensioner Concession Card, a Veterans' Affairs Gold Card, a Vision Impairment Travel Pass or a Companion Card are entitled to assistance on public transport in Queensland. Approximately one million Queenslanders hold one of these state or Commonwealth concession cards. It is a very sizeable proportion of the broader Queensland community.

For example, an older Queenslanders who receives the age pension is entitled to a 50 per cent concession on bus, rail and ferry services throughout the state and, as well as that, they are entitled to four single journeys each year on long-distance travel trains. I think it is well known that the pensioners of Queensland very much enjoy holidays on some of our rail services.

In addition, we have over the last year introduced a new pass called the TransLink Access Pass which is for people who have disabilities which might prevent them from using the go card system. That is a new access pass which has been developed in consultation with disability groups over the last 12 months. We also provide assistance to people with a disability who do not qualify for the TransLink Access Pass and their carers. The Vision Impairment Travel Pass enables the holder to travel free on the TransLink and qconnect networks as well as on regional ferry services and legally blind ex-servicemen personnel and their attendants are entitled to unlimited free travel on Traveltrain long-distance rail services. We also support the National Companion Card Scheme. There are concessions for TPI veterans and the taxi subsidy scheme assisted more than 41,000 Queenslanders with a disability to get around last year.

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

Ms SIMPSON: Minister, I refer to the State Budget Service Delivery Statement 2-117, 'Rail, Ports Aviation Systems'. I refer to the state government's decision to walk away from responsibility for Caloundra Airport and leave it up to the local council to decide its future and the fact that the state government abandoned extensive plans identifying an alternative general aviation facility south of Caloundra in the forestry land once the government decided to sell the forestry, and also that a desalination plant is proposed by this government's water planners under the flight obstacle pathway on land under the Sunshine Coast Airport's control.

I ask: do the minister and the transport department have any leadership role in protecting and supporting general aviation's future development in South-East Queensland or is the department only consulted after the decisions affecting it by other government agencies are made?

Ms NOLAN: The matters the member refers to around the long-term usage or preservation of the Caloundra Airport have been actively considered by the Department of Infrastructure and Planning. My department has a role around the potential realignment of the rail corridor which would emanate from any decisions made in relation to the future of the airport, but it is the Department of Infrastructure and Planning that is engaged with those decisions around the airport itself.

It has, of course, traditionally been the case—not traditionally, it continues to be the case—that the federal government has responsibility for air safety and the regulation of our skies. It is now the case that a number of local governments own airports as a result of a Commonwealth divestment that happened some time ago—I think in the 1980s. My department's role in relation to airports is that we do have a subsidy fund for airport maintenance around which I hope to make some announcement soon. So we do provide some funds to local governments for the maintenance of non-commercial airports. For instance, in the member for Cook's electorate we currently have a couple of million dollars on the table to contribute towards an upgrade of the Horn Island Airport.

CHAIR: It is more than a couple.

Ms NOLAN: That is good news, Mr Chair. But the matters to which the member is referring around Caloundra are being led by the Department of Infrastructure and Planning and my department's role in relation to it is to make subsequent decisions around the rail alignment.

Ms SIMPSON: Minister, I refer to the Cross River Rail announcements but specifically to the pre-feasibility study that has indicated the system will reach capacity in 2015 and require another river crossing and the announced date for the Cross River Rail by the end of 2016. My question is this: what guarantee can you give us—give the people of Queensland—that there will not be a gridlock in the rail system before that new under river Cross River Rail system comes into operation?

Ms NOLAN: The Cross River Rail project is, I think, a tremendously exciting one, to some extent born of necessity but providing an extraordinary opportunity for a genuine transformation of a number of parts of the inner city. It is the case that South-East Queensland's—well, really, all of Queensland's—rail network is centred, of course, on Roma Street, but there is only one north-south river crossing—that is, the Merivale Street bridge which was opened in the late 1970s. We have had extraordinary rail growth, particularly in recent years as a result of this government's continuing investments in public transport. So there does come a point at which the Merivale Street bridge will reach its capacity for further train movements across it.

The government is doing a couple of things in order to respond to that potential. You will have noticed that in response to a question earlier I referred to a timetable review which is one of the first tasks being undertaken by the new Queensland Rail. I think it is important to have a very good look at what capacity can be gained from existing rail infrastructure, both above and below rail, by things like better timetabling. Because our rail network has expanded incrementally over time, what you get on a number of lines is different stopping patterns. I cannot tell you for the Beenleigh line but let me give you an example of the Ipswich line. On the Ipswich line there are seven different stopping patterns which means you cannot have trains that are essentially equidistant and making the best use of existing below-rail capacity. What the timetable review will do is look at how we get the most passenger services onto the existing rail capacity and therefore it may be possible, for instance, to increase the number of trains that we can get across the Merivale Street bridge. Cross River Rail is, however, the long-term solution to that capacity constraint and that is why this government is doing so much work right now in partnership with the federal government to develop the Cross River Rail project.

Ms SIMPSON: Minister, the feasibility study was announced in 2005 and we still have not seen the end of the feasibility process for Cross River Rail. My question was about whether there would be gridlock in the system before 2016, and I ask: you have announced, I understand, that your answer for the north coast line north of Caboolture is another bus. Is this going to be your answer for the rest of the public transport system rather than continuing to grow the rail system before 2016?

Ms NOLAN: Earlier in the estimates process I announced a new passenger transport service for the Sunshine Coast in the form of a rail bus that will operate up there. I note that the member for Maroochydore's response—the same member for Maroochydore who is proposing cuts to all services, therefore including public transport services on the Sunshine Coast—is to be critical of my announcement of a new service for her part of the world. I think, frankly, it is quite remarkable.

In relation to Cross River Rail, government is planning this project right now. There is a \$25 million study underway, with \$20 million provided by the federal government, \$5 million provided by the state. There is very comprehensive detailed feasibility work such as geotechnical analysis of exactly where a tunnel would go and community consultation on where inner-city stations would be. Just a couple of days ago the Premier announced that the preferred location for an inner-city station would be in Albert Street, something that would remarkably transform our city.

The work around Cross River Rail is happening right now. It is happening at a very detailed level. The proposition is for a final plan and a business case to be finalised early next year so that a funding decision can be made. There should be no mistake. If this project was to go ahead it would require a degree of private investment as well as federal funding. Similarly, I think it is also fair to say—make no mistake—that it is fair to assume we would have a better chance of that if there was a federal Labor government given that the last federal Liberal government made absolutely no contribution to public transport infrastructure at all.

So the work is happening. It is happening in partnership with the federal government. A funding decision ultimately will have to be made. This will be this state's biggest ever infrastructure project. It is very significant. But the detailed planning work and business case is happening right now.

Ms SIMPSON: Minister, I refer to the bottlenecks at many of Queensland's ports, most recently demonstrated by Rio Tinto warning Dalrymple Bay it will not be able to cope with coal orders due to the lack of investment by your government and transport infrastructure. We heard you say earlier today that the government is happy to walk away from the commercial aspects of rail that underpin our export based economy and therefore our prosperity in order to fund its massive infrastructure shortfall in South-East Queensland. Can you understand why industry does not have faith in the government delivering new and desperately needed export infrastructure?

Ms NOLAN: The question here is who should rightfully pay for infrastructure that takes coal from privately owned mines to what are in some cases publicly owned and in others privately owned ports for export overseas for the purposes of profit? I think that the answer to that is dead simple. The transport of that coal should appropriately be undertaken through a process of private sector investment. It should not be the role of the taxpayer to underwrite investment in those commercial operations.

That is a decision which this government has made. I note that just days ago the LNP secretly snuck up on the web what it called its *Draft explanatory memorandum* and also its *Draft economic policies*. I am not sure which it was; it has two names. It is that kind of beast. In it I note a few things. The first is the sentence which reads—

The LNP is not philosophically opposed to the sale of non strategic or redundant assets.

I think that is a notable point. It then goes on to say not just that it is not opposed philosophically, but that the LNP has determined that the proceeds of any future non-strategic or redundant assets would be vested in a Queensland fund, that is, the LNP is already spending the money. I think that that brings us to the real mistruth of the LNP's position right now.

So what has happened around coal ships at Dalrymple Bay? The private sector has very substantially increased port capacity in recent years and the public sector—the increase has been 51 per cent in port capacity in the last five years—and rail capacity has expanded by 34 per cent. So there has been a massive expansion in rail and in recent times record railings through that Goonyella system in public ownership. But the next step, the next investment, should entirely appropriately be undertaken by the private sector. I think what is really notable here is that in the economic policy recently released the LNP quite clearly agrees.

CHAIR: Order! The time for non-government questions has expired. I call the member for Waterford.

Mr MOORHEAD: Minister, planning for the future is one of the hardest and most important things government can do, as noted by the integrated transport planning function on page 2-117 of the Service Delivery Statements. How does your department go about identifying and preserving future transport corridors?

Ms NOLAN: I thank the member for Waterford for the question. You are quite right, transport planning and corridor preservation is one of the hardest things for us to do. As members of parliament, we have two responsibilities. One is to protect the future interests of the state and the other is that we represent our constituents who, in many cases, are affected by the change that corridor preservation involves. So it takes a degree of political courage to be willing to stand up and to argue the case that preserving future transport corridors might be hard for us now but is absolutely necessary if we are to protect the interests of future generations and if we are to protect the capacity of this state to ensure that there is sustainable growth in the years going forward.

It is often the case that government comes along and studies and seeks to preserve the corridor for the future and that in some cases that affects places where there are already residents. My department does a great deal of work around the preservation of corridors. When a study is underway, if there are people who feel that they do not want to have this uncertainty in their life and they would rather be bought out and move on somewhere else, we provide a hardship acquisition process. The other thing that we do is when it comes to resumptions we try very hard to ensure fairness in the resumption process.

In the last couple of years the department has resolved more than 99.5 per cent of its property resumptions before the matter went to court. In that time only two cases were heard in court. In comparison, this department's counterparts in New South Wales, Victoria and WA have far more cases before the court: 20 in New South Wales, 32 in Victoria and 11 in WA. My point there is that the government has a well-established record on dealing with people fairly, both through hardship acquisitions and in resumptions that do not end up in the court. But it also takes a degree of political courage.

It disappoints me enormously that the member for Lockyer is arguing against the southern freight rail corridor and calling for it to be scrapped, even though it is a future freight rail corridor which will ensure that freight bypasses the metropolitan area, and that the member for Maroochydhore has consistently sniped at the corridor preservation process that is underway on the Sunshine Coast.

CHAIR: Turning to your responsibility of maritime safety, as noted on page 2-118 of the Service Delivery Statements, what has Queensland's maritime safety been over the last 12 months?

Ms NOLAN: Mr Chair, I thank you for the question. Given that you have more coastline in your electorate than anyone else—I would think by quite a substantial margin—I note your interest in the question. Yesterday I tabled the 2009 *Marine incidents in Queensland* report in the parliament. I have to say that 2009 was not a good year on Queensland waterways. Over the course of the last 12 months—in that calendar year—20 people died in marine accidents in the state, quite a substantial increase on what the trend had been in previous years. To some extent, that was attributable to the far more cyclonic conditions that we had last year. There were also a number of accidents in which there were multiple fatalities. There were five accidents last year in which more than one person died, whereas in 2009 there were no marine accidents in which more than one person died.

One of the things that really worried me about the record of marine incidents over the last 12 months is that, of those 20 incidents, it was the view of those investigating the incidents that only one of them could be genuinely put down to a sheer mishap. In six cases alcohol or drugs were involved. In a

number of cases people had gone out in their vessels in extreme weather conditions, into cyclonic conditions, and that was a contributor, to my recollection, to one accident in which a number of people died. Errors in judgement were a contributing factor in 10 fatal incidents, resulting in the deaths of 16 people. Failure to keep a proper lookout played a role in two single-fatality incidents. I guess the point that I would make to the broader community is that it is too easy to be complacent about this stuff.

There are 233,000 registered vessels in Queensland, which means that it is incredibly common for people to have a boat. It is something that lots of people do a lot of the time. I think we all need to keep in mind that being out on the water is innately not a safe place to be and it is incredibly important to not be affected by alcohol or drugs when you are out there, to check the weather and to check it carefully, to take all of the proper safety equipment and to take genuine care when on our waterways.

Ms FARMER: Minister, on maritime safety again, with reference to page 2-118 of the Service Delivery Statements, how is your department ensuring the effective management of waterways on the Gold Coast? Can you outline what dredging will be done for Gold Coast boaties?

Ms NOLAN: Over the last five years we as a government have invested \$12 million in dredging and \$4.5 million in recreational boating infrastructure on the Gold Coast. An amount of \$2 million has been spent on Gold Coast dredging in 2009-10 alone. Over the last year the projects completed have been dredging on the lower reach of the Coomera River, the north channel of the Broadwater, the West Crab Island Channel, the south channel of the Broadwater, the south Wave Break Island channel and Canaipa Passage. Projects in the planning and approval stage for next year include the central part of West Crab Island Channel, the main channel near Jacobs Well and the Gold Coast Seaway.

Dredging is incredibly expensive. While we as a government recognise a responsibility to effectively manage local waterways, there has been a lot of pressure on the Gold Coast for a far more extensive dredging campaign. I think that it is worth noting that, with ongoing dredging efforts—the stuff that we are doing now—98 per cent of boats can safely navigate the current channel network on the Gold Coast. As such, I have taken the view that, where there is a push for a more comprehensive dredging program, it is necessary for the owners of those big boats to make a contribution, not the taxpayers and the ordinary punters who are getting around in little boats that can quite safely get around in the currently dredged channels.

In response to that call, I have been very pleased that Marine Queensland, the industry body, has stepped up and agreed to make a half a million dollar a year contribution to dredging on the Gold Coast. That will accompany \$1.5 million put in by the state and \$1 million contributed by the Gold Coast City Council. Priorities for that dredging will be decided by the Gold Coast Waterways Steering Committee; that is it represents all the people who are putting in the cash. We are not, it is important to understand, creating an additional layer of bureaucracy along the lines of a waterways authority, which existed many years ago and which has been called for again by the LNP. What we are setting up here is a steering committee which will decide on dredging priorities. It will involve all those parties who are actively involved: who are putting money in or who have an environmental responsibility. This, I think, is a good outcome for taxpayers in that the people who own the big boats are chipping in and it is a good outcome for the broader Gold Coast boating community.

Ms van LITSENBURG: Minister, with reference to page 2-118 of the Service Delivery Statements and maritime safety, the grounding of the *Shen Neng 1* on the Barrier Reef at Easter had the potential to become a major environmental catastrophe. Can you outline how the salvage effort was undertaken?

Ms NOLAN: I can. Before I do, I am just going to respond to the member for Maroochydhore's question from earlier about night-time hours. I am advised that the rosters are manually managed. So it is difficult to extract quickly the exact hours of daytime work and night-time work. But it is worth noting that the number of heavy vehicle inspections has increased. In 2006, there were 43,626; 2009, 48,272; 2010, 48,626. That must be per financial year. You asked a specific question about night-time and daytime. My advice is that we cannot extract that level of information, but the point that you made was that people were raising a concern with you. If you have a specific concern that there is a danger resulting from a changed practice—what I am saying is there have been more inspections overall and better intel has led to some shift in when those inspections are carried out. If you have a specific safety concern relating to a change, please bring it forward and we will certainly have a look at that.

Sorry, I will come back to the member for Redcliffe's question, which was about maritime safety, which is quite different. The government response to the grounding of the *Shen Neng 1* was, in my view, an excellent example of cooperation between the state, the council and local governments. In terms of relationship with local governments, I do want to acknowledge my director-general, who did a great deal of work to ensure that the local governments involved were very closely connected to the work that we were doing. As members would be aware, the *Shen Neng 1* ran aground on Douglas Shoal on 3 April, right in the middle of Easter. I am glad to say that the vessel departed Queensland waters under tow on 31 May 2010, having been refloated from the reef and having undertaken some repairs, and it is now back in Chinese waters.

The Great Barrier Reef Marine Park Authority is responsible for the reef and it is undertaking a prosecution. This whole exercise cost governments between \$5 million and \$6 million, which we are seeking to recover. The response to this, I think, will lead to a better system for ships moving through the reef in future in that when this incident happened the Queensland government asked the Commonwealth to extend the Reef Vessel Tracking Service. The Commonwealth agreed to that and so will now extend that vessel tracking service to cover those southern parts of the reef.

CHAIR: I am sure the member for Redcliffe will you give an extension of time to answer, Minister.

Ms NOLAN: I will be quick.

Ms van LITSENBURG: I am happy to do that, yes.

Ms NOLAN: The proposal is that the ReefVTS will be extended to 1 July 2011.

CHAIR: That concludes the examination of the estimates of the portfolio of the Minister for Transport. Thank you, Minister and advisers, for your attendance. That also concludes the committee's consideration of the matters referred to it by parliament.

Ms NOLAN: I want to thank both my own staff and officers from my department who put a tremendous amount of work into preparation for estimates, as well as of course thank the committee for their charm.

CHAIR: The transcript of this part of the hearing will be available on the Hansard website within two hours from now. On behalf of the committee, I would like to thank Hansard staff, the timekeepers and the attendants for their assistance today. I would particularly like to thank committee staff and the lady on my left, Rachelle Stacey, for her tireless dedication to the committee's work. I now declare the public hearing closed.

Committee adjourned at 4.31 pm