

THURSDAY, 14 JULY 2011

ESTIMATES—TRANSPORT, LOCAL GOVERNMENT AND INFRASTRUCTURE COMMITTEE—MAIN ROADS AND MARINE INFRASTRUCTURE


Estimates Committee Members

Mr ER Moorhead (Chair)
Mr SA Emerson
Mr DF Gibson
Ms M O'Neill
Dr MA Robinson
Ms ECM van Litsenburg

In Attendance

Hon. CA Wallace, Minister for Main Roads, Fisheries and Marine Infrastructure
Ms C Meshios, Principal Adviser
Department of Transport and Main Roads
Mr D Stewart, Director-General
Mr M Cridland, Associate Director-General
Maritime Safety Queensland
Capt. P Quirk, General Manager
Gladstone Ports Corporation
Mr L Zussino, Chief Executive Officer
Far North Queensland Ports Corporation
Mr C Boland, Chief Executive Officer
North Queensland Bulk Ports Corporation
Mr J Stewart-Harris, Chief Executive Officer (Acting)
Port of Townsville Limited
Ms R Crosby, Chief Executive Officer (Acting)

Committee met at 9.03 am

 **CHAIR:** Good morning. I call the meeting to order. I declare the estimates hearing of the Transport, Local Government and Infrastructure Committee now open. On behalf of the committee, I welcome to the hearing the minister, the officers of the department and related entities, and members of the public. My name is Evan Moorhead and I am the member for Waterford and chair of the committee. Mr David Gibson, the member for Gympie, is the deputy chair. The other members of the committee are: Mr Scott Emerson, the member for Indooroopilly; Ms Mary-Anne O'Neill, the member for Kallangur; Dr Mark Robinson, the member for Cleveland; and Ms Lillian van Litsenburg, the member for Redcliffe.

The committee will examine the Appropriation Bill 2011 and the portfolio estimates within the committee's areas of responsibility—namely, Transport, Main Roads, Marine Infrastructure, Infrastructure, Local Government and the Building Industry. The committee will examine the estimates in the order set out in the published hearing schedule.

The committee will suspend proceedings for the following breaks: 11.00 am to 11.30 am, 1.00 pm to 2.00 pm and 4.15 pm to 4.45 pm. The proceedings today are lawful proceedings and are subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to the media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules to the extent that they apply to estimates proceedings. The committee has also resolved that non-committee members be given leave to attend and ask questions during the hearing.

Before we begin, I ask that mobile phones and pagers be switched off. Also, I should remind you that food and drink is not permitted in the chamber. I also remind people sitting near microphones to please not play with lolly wrappers as that ruins the audio coverage by the ABC.

Changes to the standing orders and rules of the Legislative Assembly have removed the strict time limits for questions and answers during an estimates hearing. This will ensure that exploration of relevant issues is not artificially curtailed by time limits and that questions on a particular issue can continue if appropriate. However, it is important that questions and answers remain relevant and succinct. I intend to guide proceedings today so that relevant issues can be explored without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. Where necessary, I will remind ministers and their departmental advisers that their answer to a question should be finalised so that other issues can be examined.

The first item for consideration is the estimates for the Main Roads organisational unit within the portfolio of the Minister for Main Roads, Fisheries and Marine Infrastructure. We will examine the estimates in relation to Main Roads until 11.00 am. Following a break, we will resume at 11.30 am to examine the Marine Infrastructure organisational unit within the portfolio of the minister. This will conclude at 12.15 pm. For the benefit of Hansard, I ask departmental officers, if you are called to give an answer, to please state your name before speaking.

I now declare the proposed expenditure for the organisational unit of Main Roads open for examination. The time allocated is two hours. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, can you please provide the committee with some highlights of the operation of your portfolio in the state budget?

Mr GIBSON: A point of order.

CHAIR: Do you dissent from that?

Mr GIBSON: There is a standing resolution of the committee which was passed. The vote was that no minister would be given the opportunity to make an open ministerial statement.

CHAIR: We can adjourn in private to discuss this matter. I am not asking the minister to make a ministerial statement. I am asking a question.

Mr EMERSON: Mr Chair, I indicate that I would have thought that your question is really just an example of a way to give the minister a chance to make an opening statement. The committee has voted not to allow the ministers to make opening statements. Clearly, in my view, your question is really masquerading to allow those ministers to make a statement.

CHAIR: If you are calling into question whether my question is in order we will have to deliberate in private. We will adjourn to deliberate in private.

Proceedings suspended from 9.08 am to 9.23 am

CHAIR: I call the meeting to order. The committee has had some deliberations, and I will ask that question in a different way. Minister, I refer to page 2-117 of the SDS for Main Roads and the strategic issues and highlights that are reported in the portfolio statements. Is there any supplementary information you can provide on the strategic issues and highlights in terms of the committee's deliberations of the Appropriations Bill before it?

Mr WALLACE: Thank you, Mr Chair. I thank the committee members for their attendance this morning. I can bring the committee up to date with that. The statistics speak for themselves. We had a summer of natural disasters. During the height of it, a total of 9,170 kilometres of roads, or 28 per cent of our road network, were damaged or underwater. To put that in perspective, it would be a distance from here to Beijing and back that was affected by that weather event. Eighty-nine bridges and culverts were washed away or broken, 11 ports were closed, 161 maritime aids were damaged, and almost one-third of our rail network was hit. But, being Queenslanders, just like the State of Origin last week, once we get knocked down we get up again. We have estimated that 80 per cent of the state's rebuilding effort will be spent on roads, making them safer, stronger and more resilient than before.

Importantly, \$1.4 billion has been budgeted for this year's reconstruction works, showing the big budget we have ahead for all of us at Main Roads to get our roads up and running again. Projects are being funded under the joint NDRRA funding through the federal government, which is providing 75 per

cent of the funding and of course 25 per cent from the state. State-wide, importantly, these NDRRA works will sustain about 14,000 jobs, with many projects sourced from local workers. That is important, especially in regional Queensland, where a lot of our roadworks help sustain workforces right across the state.

There is good news today. I can announce that around 1,200 jobs will be created through the \$370 million for NDRRA roadworks that will be spent between Cairns and Rockhampton on the Bruce Highway alone. This is good news for the Bruce Highway, good news for those sections of that road that were affected by those rainfall events. Over the next three years we will be repairing about 116 sites on the Bruce between Cairns and Rockhampton. That is really good news for anyone driving that section of road. On top of this we are upgrading the state's highways, with \$3.3 billion in state-federal funding for our highways, including the Warrego, Bruce and New England highways and the Ipswich and Pacific motorways. Of course, safety remains our priority with a welcome addition of \$66 million for 92 projects under the our Safer Roads Sooner program.

So, just to sum up, we have a big program ahead for Main Roads. We were very badly hit during the summer. There was not a time during that period when I did not look at our roads and did not inspect those roads and see the tremendous damage that occurred. I want to thank my department. I want to thank my director-general and my senior staff especially who worked very, very hard during that summer rainfall event, that summer of woe, to keep our roads open as best we could and, more importantly, to keep them as safe as we could. I look forward to the hearing today.

CHAIR: Thank you, Minister. I call the member for Cleveland.

Dr ROBINSON: I have a series of questions that I want to ask the main roads minister around the area of the state controlled road network funding cuts in real terms. No doubt, Minister, as you have described, the summer of disasters has been terrible in terms of the impact it has had on Queensland to our economy, our families' lives, jobs and our roads. There is no question about that. There is also no question that it has been important to receive the NDRRA disaster funds to help reinstate and rebuild our roads. That has been an important entitlement to Queensland, as separate to anything originating from the state budget. So, excluding or setting aside those disaster funds which are gratefully received in the state, I note that the projected spend by the state government on state controlled roads—excluding the NDRRA money—from the period 2010-11 to 2011-12 is down by \$326 million. Can the minister explain that planned lack of investment in Queensland's state controlled roads?

Mr WALLACE: Thank you, Mr Chair. You cannot extrapolate that funding for disaster recovery because you have to remember that as we are out there fixing up our roads after the flooding event we will actually have better roads. It will enable us to do much needed roadworks right across the state. So to put the roads budget in perspective, this year we will spend about \$3.3 billion on our roads across Queensland compared to \$2.9 billion last year which is a substantial increase. We have a market out there which I think we have to look after. In fact, our Main Roads budgets right across the state have been sustaining a lot of construction over the last couple of years. This \$3.3 billion has certainly been welcomed across the state. In essence, I do not think you can extrapolate NDRRA from the other works we are doing, because where we can we are doing our capital works in conjunction—

Dr ROBINSON: Minister, you can. It is called a state budget.

CHAIR: Member for Cleveland, you can ask as many questions as you like as soon as the minister is done.

Dr ROBINSON: I am just concerned that the minister is wandering off track to the NDRRA money which is not my question.

CHAIR: You get to ask another question in a minute.

Mr WALLACE: Thank you, Mr Chair. It is important to know that the works we are doing in terms of NDRRA are very much tied up with the capital works that we are doing across the state which is supporting about 58,000 jobs this year in our program. We are delivering a comprehensive transport and infrastructure program to support safe and efficient travel right across the state. As I said, where we are doing NDRRA works, the new standards for NDRRA allow us to—

Dr ROBINSON: With respect, my question was not about the NDRRA. I made that very clear. I excluded that from the discussion in my question. It was about the state budget that will be spent on the state network of roads and the cuts that are demonstrated in the budget. That is my question.

CHAIR: Member for Cleveland, I understand that your question was about excluding NDRRA funding from the consideration of roads spending. The minister is answering that question. I will let him continue.

Mr WALLACE: Thank you, Mr Chair. Capital expenditure for roads infrastructure in 2010-11 was approximately \$2.65 billion, which was \$405 million higher than the revised capital budget for the roads infrastructure program. Flood reconstruction did become a major focus of the Department of Transport and Main Roads in the latter part of the 2010-11 financial year and will continue this year. Quite simply, we will be spending \$3.3 billion on roads this year compared to a cap—

Dr ROBINSON: With respect, the question is clearly about the state budget. It is about the state contribution to our roads and the fact that it has declined. The minister is avoiding the question.

Mr WALLACE: I will take that as another question.

CHAIR: Hang on. Let me rule on the member for Cleveland's point of order. Member for Cleveland, the minister's answer is in order. Your question was about the state budget and the minister should be able to include in the infrastructure spending NDRRA funding. The minister—

Dr ROBINSON: No, that was not my question. With respect, Mr Chair, that was not my question. My question was the state spend on the state network excluding the NDRRA money. That was my question, with respect.

CHAIR: Yes, and the minister is answering that.

Dr ROBINSON: Not well.

CHAIR: That is not for you to decide. The minister can finish his answer and then you can ask another question. The notion of the new estimates is that you get to ask a series of questions and planned questions to the minister. Those restrictions that were previously in place are not now in place. We have not even got to the first question yet for you to be able to use your rights to have more free flowing questioning. I call the minister.

Dr ROBINSON: I look forward to the minister actually answering the question asked in this new period of openness and accountability.

CHAIR: Member for Cleveland, you get to ask another question as soon as the minister is finished.

Mr WALLACE: The member for Cleveland asked about the state contribution to our roads across Queensland. Of the \$3.342 billion we will be spending on roads this year, \$1.854 billion will come from state coffers, which is 56 per cent of our state roads total. This shows that this government has got a clear commitment to roads across the state, but again I go back to my initial point about NDRRA. One can simply not extrapolate that out of the equation that we have got. It is part of our road building exercise across the state. It is a fallacy to say that it should be treated separate. It will employ about 15,000 Queenslanders and we will restore literally hundreds of kilometres of road across the state through our NDRRA program and carry out that in conjunction with our big capital program. So I think it is a fallacy to try to draw some difference in funding.

When I am out there and roads are being repaired and roads are being rebuilt, I do not care whether the money comes from NDRRA or whether it is in the capital budget. The fact is that this year we will be spending \$3.34 billion on our roads compared to a budget last year of \$2.9 billion. The people of Queensland—whether they are in Townsville, whether they are in Mackay, whether they are in Gympie—do not care where the source of funding comes from, as long as the work is being done. People have had to put up with it for far too long. We have got a record budget and we are going to get the roads fixed.

Dr ROBINSON: Mr Chair, with all due respect, I think the people of Queensland do care about a balanced Queensland budget and I believe they do care about where the state funding is being—

CHAIR: Member for Cleveland, your job is to ask questions; this is not a platform. I will give you the chance to provide preambles that provide context to your questions, but please do not use it as a chance to make a statement. Please get to your question.

Dr ROBINSON: I accept your guidance, Mr Chair. In light of the fact that there is a separate state budget to a federal budget, that there are separate allocations of NDRRA money and separate allocations of federal money that flow through the state coffers and that there is also a separate allocation—an investment, if you like—from the state government, that is, state taxpayers' money, into our roads, how do you explain the \$326 million that has effectively been cut from the state budget in its spend on Main Roads, a reduction of expenditure in the 2010-11 to 2011-12 period in the budget?

Mr WALLACE: Let us have a look at the member for Cleveland's question. Last year the capital funds in the published capital budgets for Main Roads from the state amounted to \$1.337,437 billion; that was allocated by the Queensland government for roads purposes. This year, \$1.854,709 billion is allocated from the Queensland government for roads purposes. So that is an increase. I went to a pretty good school in Home Hill. Where I went to school, \$1.854 billion versus \$1.337 billion is an increase. I do not know where the member for Cleveland went to school, but that shows there was an increase in Queensland government grants for roads purposes, and that will make up 56 per cent of our capital roads budget this year.

It is important that we continue to get significant funding from the Queensland government for documents like QTRIP. I unveiled the QTRIP document earlier this year in the budget week. It is a document that looks at what we are going to do over our roads for the next four years. Indeed, Queensland is the only state that produces such a document. That is why I welcomed this increased funding for roads in Queensland from the Queensland government, which is really important to note.

QTRIP has a budget in there of \$19.374 billion that will see our roads improved over the next four years—this is much higher than any other state. Let us have a look at the state comparisons, and the member for Cleveland was talking about comparisons with other states. In Queensland this year, we will see about \$750 for every man, woman and child spent on our roads. Compare that to somewhere like the Liberal Party in Victoria, where the figure is about \$202—

Dr ROBINSON: How much is NDRRA money, Minister, out of that amount?

Mr WALLACE: Mr Chair!

CHAIR: Member for Cleveland, you will get a chance to ask another question in a moment.

Mr WALLACE: Compare that to his tory mates in Victoria where the figure is \$211—so \$750 versus \$211. What about Western Australia, a bigger state than Queensland and again another Liberal Party? It is \$279 compared to \$750. What about New South Wales, where there are more people living and you would think there would be a greater expenditure? It is \$379 from a tory government in New South Wales. That shows that we have by far the largest state expenditure on roads, the largest capital budget of any state government on roads across Australia. It is far larger than anywhere else.

When you extrapolate those figures, it is interesting to look at the impact on regional Queensland. I come from regional Queensland and it is important that we look after the roads in Queensland. We have about 33,500 kilometres of state and national network in Queensland which would stretch from here to London and back. In regional Queensland, we are spending about \$1,600 for every man, woman and child on our roads, which is a massive increase compared to last year when it was about \$1,200 for every man, woman and child. We are still seeing an increase in South-East Queensland. We have got a big program this year. As I said, for roads this year it is \$3.342,866 billion compared to \$2.928,303 billion last year. That is an increase.

Dr ROBINSON: Minister, you mentioned some figures there: \$1.854 billion and \$1.337 billion. I am trying to reconcile that with your own budget papers. The budget reveals a \$1.107 billion budget on state controlled roads. How do you explain that difference between your figure that you have quoted and the budget?

Mr WALLACE: I do not have your figures in front of me. The information I have is that this year we will be spending \$1.8 billion from state funds on our roads. The total roads budget is \$3.3 billion. That shows that we have got a big budget this year; it is higher than last year. The contribution is \$1.8 billion from state funds, \$1.4 billion from federal funds and three per cent from other sources, which are some user charges, et cetera, that we attract from other sources. So our roads only capital funding has increased by 14 per cent. That is a 14 per cent increase from 2010-11, which is good news for motorists across the state.

Let us compare this budget with the last coalition budget in 1997-98 when it was \$905 million, so we have more than tripled the budget under Labor. This is good news for motorists across Queensland. It is needed for this \$19 billion document, which shows the future for road construction in Queensland. As I said, we need further funding for roads, and that is why I welcomed this increase of 14 per cent on this year's budget.

Dr ROBINSON: Minister, every answer that you have given here today in trying to explain yourself about the state budget—

Mr WALLACE: Well, it is an estimates hearing.

Dr ROBINSON: Every answer you have given has been loaded with the disaster money to explain yourself. When will you stop hiding behind the disaster and explain your failure to budget properly and plan and deliver on Queensland state roads?

Mr WALLACE: I will never hide behind that disaster. In fact here are some of the pictures—

Dr ROBINSON: Behind every answer you have included NDRRA money, Minister.

CHAIR: Member for Cleveland, the minister has not even finished his first sentence and you are already stopping him from answering. Let us hear what he has to say and then you can ask another question.

Mr WALLACE: I think anyone across regional Queensland, anyone who has been affected by the floods in the summer of natural disasters, would be shocked at the member for Cleveland's suggestion that we should forget about the flooding, that we should not do anything.

Dr ROBINSON: Mr Chair, that is just pure verballing. On a point of order: I have already in my opening comment talked about the devastation of the floods and my concern for the human impact and the road impact, so I would ask the minister to withdraw that statement.

CHAIR: Are you suggesting—

Dr ROBINSON: I find it offensive and I ask him to withdraw.

Mr WALLACE: I withdraw, Mr Chair. But from December 2010 until March this year, we experienced very heavy rainfall and cyclones across Queensland. I was in Townsville and we certainly experienced that rainfall event there. I simply am flabbergasted at the assertion from the member for Cleveland that we should somehow forget about NDRRA funding.

Dr ROBINSON: Mr Chair, I object. I have not asserted that we forget about it. I have asked for the minister to be accountable on the state spend, the state budget, which he has not done.

CHAIR: Member for Cleveland, that is not a point of order.

Dr ROBINSON: I again find his statement offensive—that he has repeated now twice. I ask him to withdraw.

CHAIR: First, member for Cleveland, it is a separate statement. Minister, the member has asked for you to withdraw.

Mr WALLACE: I withdraw. There is \$1.4 billion in NDRRA funds this year for roads across Queensland. That is great news for the motorists of Queensland. I will never hide behind that. I will always defend the people of regional Queensland. I will always work for the people of regional Queensland. I was out there after the flooding, unlike the member for Cleveland, looking at those events.

Dr ROBINSON: Mr Chair, I find that to be verballing again. I find that offensive.

Mr WALLACE: I was in Emerald, I was in Bundaberg, I was in Townsville, I was in Cairns—

Dr ROBINSON: Mr Chair, on a point of order: I again find it offensive that he would try to turn this into a slur of my character, of my role in the floods. I was heavily involved in the flood recovery and I find that offensive.

CHAIR: Thank you, member for Cleveland. Minister, the member has asked you to withdraw.

Mr WALLACE: I withdraw, Mr Chair. I was out there. I saw firsthand kilometres after kilometres of road rolled up like carpet. I saw that. I saw firsthand the impact on my community in Townsville which could not get fresh food and supplies through on a main road. I saw the impacts across regional Queensland where people could not get to medical appointments because of the state of our roads. I will never, ever apologise for the work that my department has done to fix up our roads after this the worst wet season in living memory. We have spent \$670 million so far—

Dr ROBINSON: You should apologise for your budget cuts.

CHAIR: Member for Cleveland, that is not appropriate. The minister is still answering. As I have been saying to you, you will have an opportunity to ask another question as soon as the minister has finished.

Mr WALLACE: Thank you, Mr Chair. I will never apologise for this budget—\$1.4 billion for NDRRA. I am really disappointed that the opposition has tried to say that that money should not be there, that these roads—

Dr ROBINSON: Mr Chair, again the minister is verballing the opposition. We have not stated that at all. We are very grateful for the entitlements of Queenslanders in the flood recovery, but the minister continues to mask his lack of performance by the floods.

CHAIR: Member for Cleveland, you have raised a point of order. The minister did not make a personal reflection. There is no point of order. Continue, Minister.

Mr WALLACE: Thank you, Mr Chair. Indeed, the director-general and I were in Cardwell a couple of days after Cyclone Yasi crossed the coast. We were speaking to a RoadTek worker who stayed in Cardwell to look after that road to try to get it open, and we responded really quickly after that event. His nickname was 'Reptile' from memory. What a great man! That shows the calibre of our Main Roads staff across the state who have responded to the summer of woe. As I said, I will never apologise for this budget that has \$1.4 billion in it for road recovery from this year's flooding event. As I said, I have been out there. I have seen roads literally rolled up like pieces of carpet. I am disappointed again—

Dr ROBINSON: Mr Chair, this is just repetitive. I ask you to rule that the minister move on. He is just spruiking something that is the national disaster funding. It has very little to do with his control of the state budget and I ask him to stay to the questions.

CHAIR: Member for Cleveland, you know very well that you get to ask the question you would like and the minister gets to answer as he sees fit. I would ask the minister to come to the end of his answer shortly and then you will get the chance to ask another question.

Mr WALLACE: Thank you, Mr Chair. You cannot discount this year's summer of woe in any of our budgets in this state. It is integral that we get out there and repair roads, and that is what we are doing. Indeed, I can announce, as I said earlier, \$370 million on the Bruce in new roadworks through our NDRRA funds between Cairns and Brisbane. That is good news for regional motorists, and that is why it is important we have this funding in this budget.

CHAIR: Member for Cleveland.

Dr ROBINSON: Minister, I have a question in terms of the federal road funding spend. We have already established how important the NDRRA money has been and it is welcomed—though as an entitlement and not something that has been through the good management of this state government. We also note in the budget that there is separate funding from the federal government specifically for Queensland's roads. I ask the minister: how does he explain that with regard to the projected federal contribution—the non-NDRRA money, so excluding that—in 2011-12 it is down by \$165 million? Is that not a failure of the minister and of this government to attract Queensland's fair share of federal road funding, excluding the NDRRA money?

Mr WALLACE: Let us talk about federal funding for Queensland roads. This year we will receive about \$1.383 billion from the federal government for our roads program. I have to say that the federal Labor government has been very good for Queensland in our roads construction. Compared to the previous Howard government, we have seen our road funding more than double for our federal roads across Queensland from the federal government, and that is good news for motorists. Anyone driving between here and Ipswich will see that work. The member for Gympie will be aware of the work that we are doing jointly with the federal government on Cooroy to Curra. Anyone driving the Bruce will see literally hundreds of works on the Bruce under construction now. Let us look at that in perspective on the Bruce Highway. When the Howard—

Dr ROBINSON: So it was a cut, Minister? Was it a cut?

CHAIR: Member for Cleveland, the minister is answering the question.

Dr ROBINSON: Down \$165 million.

CHAIR: Member for Cleveland, you can hold that for your next question. I call the minister.

Mr WALLACE: Thank you, Mr Chair. When the Howard government was in power, the allocation for the Bruce Highway worked out to be about \$100 million in—

Dr ROBINSON: Mr Chair, my question was not about the Howard years.

Mr WALLACE: He is asking about federal government funding—

Dr ROBINSON: My question is in the 2011-12 projected budget. He is not answering the question and I would ask you, humbly, to give him some guidance. Answer the question.

CHAIR: Member for Cleveland, the minister is entitled to provide the context and answer the question in a way that he sees fit, provided he is still answering the question.

Dr ROBINSON: We do not need a lecture in ancient history, Mr Chair. Can you give him some guidance?

CHAIR: Member for Cleveland—

Mr WALLACE: The people of regional Queensland do not think it is ancient history.

CHAIR: Member for Cleveland, the minister's answer is in order. I will ask the minister to continue. Minister.

Mr WALLACE: Thank you. The member for Cleveland asked about federal funding contributions for—

Dr ROBINSON: In 2011-12, Minister.

CHAIR: Member for Cleveland, we are not getting very far and we are not getting very far very quickly. If we can just let the minister answer the question.

Dr ROBINSON: I would be happy to.

CHAIR: You can then take that information and ask another question. Minister.

Mr WALLACE: Okay. Let us look at federal funding contributions for 2011-12. As I said, he might think it is ancient history.

Dr ROBINSON: Is it not a cut?

CHAIR: Member for Cleveland—

Dr ROBINSON: Is it a cut, Minister—\$165 million reduced in your projection in the year 2011-12? Is not that a cut, Minister?

CHAIR: Member for Cleveland, that is another question. We have not even finished the last question.

Dr ROBINSON: That was the question, Mr Chair, with respect.

CHAIR: Member for Cleveland, we have only had half a sentence since you last interrupted the minister. As I have said before, if you let the minister answer a question he can then give you an opportunity to ask another question. Let us keep going in logical sequential questioning. In the meantime, I want the minister to finish answering the question. Minister.

Mr WALLACE: Thank you, Mr Chair. The member for Cleveland might think it is ancient history on the Bruce, but ask the people who live in regional Queensland who saw what a coalition government did to the Bruce—\$100 million a year on average compared to \$480 million a year under Labor. That is not ancient history when you drive the Bruce. I drive the Bruce regularly. I know your leader admits that he has not driven it for a quarter of a century, but the people—

Dr ROBINSON: Mr Chair, that is just verballing the Leader of the Opposition.

Mr WALLACE: He is not the Leader of the Opposition. So you think he is the Leader of the Opposition?

Dr ROBINSON: The leader of the LNP. Campbell Newman regularly travels the Bruce Highway. This is a—

CHAIR: Member for Cleveland, your interjections and your points of order. are frivolous and vexatious and they are being used by you to put your side of the debate. You get a chance to put context to your questions. You get a chance to ask questions, and the minister has a chance to answer them. Please let him answer them and then you can ask another one. Please do not interrupt the minister to add your side of the debate. You can ask another question. Minister.

Mr WALLACE: Thank you.

Dr ROBINSON: I just simply asked you, Mr Chair, if you could give him some guidance. The question was about the projected spend in 2011-12—not the John Howard years—and he still has not answered the question, with respect, Mr Chair.

CHAIR: As you well know, member for Cleveland, the minister is entitled to provide—just as you are entitled to provide preambles and context to your question—context to his answer. The minister's answer is in order and I will ask him to finish the answer. Minister.

Mr WALLACE: Thank you, Mr Chair. Yes, under the Howard government there was \$100 million a year for the Bruce. Under Labor, there is \$480 million. He asks about federal contributions this year. Let us look at some of them on the Bruce: the Cairns southern access corridor—important work to widen that corridor into southern Cairns committed by Labor; the Cardwell Range—a \$110 million project which we are working with the federal government on to improve safety at Cardwell itself; and the Douglas arterial duplication in my city of Townsville—really important work to increase capacity on the Bruce Highway around the university and the hospital in Townsville and a \$110 million project, and I was having a look at that only the day before. Going down the coast, there are important works on the Bruce. There is a \$10 million planning study in Mackay looking at a ring-road—committed by the federal government. South of Mackay there are 16 new overtaking lanes—\$32 million worth of investment between Sarina and Bowen funded by Labor. Works in that southern corridor into Mackay itself are important works to keep people safe on that corridor—funded by Labor. There is \$10 million into the southern outskirts of Sarina funded by Labor—important works to keep people safe. Rockhampton—can I go on, Mr Chair? Should I keep going on with the hundreds of projects on the Bruce funded by Labor?

CHAIR: Thank you, Minister. That is probably enough detail.

Mr WALLACE: Thank you.

Dr ROBINSON: I refer to the Bruce Highway, specifically the section of the Bruce Highway on the Cooroy-Curra stretch, and I hope that the minister can somehow keep to the topic and answer this question. I notice construction commenced in 2009-10. The total estimated cost was \$613 million—\$125 million from the state and \$488 million from the Commonwealth. In the 2009-10 period \$236 million was proposed to be spent and only \$152 million was spent—an underspend of 64 per cent of the budget. In 2010-11 \$288 million was proposed and \$182 million was underspent, or 63 per cent. Can the minister explain why in successive years we have such dramatic underspends or failure to invest in a very crucial part of our road infrastructure?

Mr WALLACE: Section B of the Cooroy to Curra upgrade is now past the halfway mark and is under budget and on schedule. Section B has always been and still is on track for completion in 2012, weather permitting of course. We hope we do not get another repeat of that wet season. The 61-kilometre upgrade and realignment of the Bruce Highway between Cooroy and Curra is one of Queensland's highest priority road projects, and that is why I welcome that funding from federal Labor. Indeed, I remember that ambulance officer—member for Gympie, you will remember his name—from Gympie.

Mr GIBSON: Wayne Sachs.

Mr WALLACE: Yes; that great man who called for that project to happen, and I was so pleased when the federal transport minister, Anthony Albanese, announced the funding for this section of work. This is a massive undertaking that cannot be finished overnight. It is simply not possible to do everything at the same time. The project is being done as quickly and as effectively as possible. We have split the project into four main sections, allowing for an appropriately managed and balanced approach to delivering this key piece of infrastructure. However, whilst we are working on section B, work, design

and planning is pushing ahead for those other sections—A, C and D of course—and we are working very closely with our federal colleagues and local councils and stakeholders to achieve that. Section B, which the member for Cleveland talked about—Sankeys Road to Traveston Road—continues to power ahead, with the first two construction contracts wrapped up in 2010 on time and under budget—on time and under budget.

Since starting construction in 2009, the project is finished and open to traffic—a full two-kilometre deviation on the highway at Federal. As well, more than five million cubic metres of earth has been shifted, so it is a big project that we are doing from Cooroy to Curra. Construction is now underway on the final two major construction contracts. They are not visible to the general public due to the alignment being away from the existing Bruce Highway. Work has been progressing for more than five months laying nine kilometres of asphalt. Work on the bridges over Coles Creek and Coles Creek Road overpass are also underway. In early June we awarded the final contract to Abigroup Contractors Pty Ltd to build an interchange at Traveston and final connection north and south, with the contractor taking possession of the site this week.

Our 20-year vision for the Bruce Highway, which the Premier and I released earlier this week, covers works across the entire Bruce Highway and not just Cooroy to Curra. That document identifies key infrastructure projects along the Bruce and other works that need to be carried out at this time, weather permitting as I said. The good news is that section B should be finished by the end of next year, and that is as we hoped. Section A should be finished in the next five to 10 years. We are still finalising the time frames for sections C and D. The time frames for sections A, C and D of Cooroy to Curra in our document on the Bruce Highway are indicative only. Indeed, I see some reports from the local council that they would like some of those time frames brought forward. I would certainly encourage them—

Mr Gibson interjected.

Mr WALLACE: And the local member. I would certainly encourage you and the local council to make some representations on our Bruce Highway upgrade strategy. This is for public consultation and we are asking for input from the public, from councils and from the member for Gympie for that. But, as I point out, this project is on time and under budget. Because it is under budget, we have managed to put our funds into other projects on the Bruce Highway. I think that will be welcomed by everyone who drives the Bruce.

Dr ROBINSON: Minister, I have one final question on the Cooroy to Curra stretch. It is clear that there has been a very major underspend, though you still fail to acknowledge that underspend of 64 per cent and 63 per cent two years in a row. Is there an aspect of that underspend or that delay that is connected to another matter, and that is this—there has been a period of delay between each contract for that piece of roadwork? Is that because the government has not been organised? To what degree has not having those contracts all in a row and flowing efficiently contributed to the delay in the project and the gross underspend that this government is responsible for?

Mr WALLACE: Again, the premise of your question is wrong. As I said, there has been no delay in the project. We are still on schedule for completion as forecast. We managed to save money on that project through good management. I do not know what the member for Cleveland would have a department do. Would he have a department make risky decisions? Have an overspend on that? This is good planning and it is what we should do in Queensland when we build our roads. To criticise the department because it is on time and under budget I think lacks clarity and lacks respect for my engineers and my Main Roads officers, who are constantly looking for value for money on contracts. I will never interfere in a contract that Main Roads does. I know that it was done in the Joh years, when they interfered in contracts. I know that it was done when they built the Pacific Motorway between here and the Gold Coast that blew out in budget. But I trust my engineers. That is why that project is on time and under budget.

CHAIR: Minister, earlier we had some lively discussion about NDRRA funding and the effect of the floods on Queensland roads projects. At Logan, where I am from, we did not have the sad tale of flooding that other areas had but we still had the significant rain. The M1 is undergoing a significant upgrade in my electorate with the Springwood-Daisy Hill component of the Pacific Motorway upgrade project. Over recent months I have seen those workers struggling with the wet weather. Can the minister provide an update on the progress of the project and when the major components will be available for motorists to use?

Mr WALLACE: I thank the member for Waterford for his question. I really want to thank you, member for Waterford. You and the member for Springwood have been great advocates for that project on the Pacific Motorway—a very busy section of road. As we are constructing that road, we have around 120,000 vehicles a day going through that construction site. It is no easy feat to construct overpasses and new lanes—and I think the project is valued at about \$460 million—while keeping 120,000 vehicles flowing through that site. So commendation is due to our contractors and Main Roads engineers, who work very well on that site.

As I said, state and federal governments have provided about \$491 million towards planning and construction of priority sections of the Pacific Motorway between the Gateway intersection and the Logan Motorway. That will really help enhance the Pacific Motorway and get rid of some of those bottlenecks that you and I have talked about previously. Of the \$491 million, we used about \$70 million for planning, corridor acquisition and public consultation. That was important, and I know that you have been vocal about public consultation and planning and talking to locals about the effects there. I want to thank my director-general, who has played a personal role in talking to some of your constituents who have had some concerns. I think you are quite rightly bringing those concerns to us. An amount of \$421 million will be spent on that section of road in your electorate. Construction of that commenced in November 2009, with a completion date mid next year.

Wet weather, as you said, has played havoc with that project and with a lot of projects across the state. Unfortunately, we have exceeded our wet weather allowance for that project. We have lost 137 days on that. Indeed, I was at Cardwell Range the other week talking to our contractors up there. They had not been able to go on site for three months with the rain and then the cyclones. So you can just see what it has done. We had about 2.5 metres of rain fall on that site. My height is 1.93 metres. Add another 600 millimetres to that and you can imagine what that would do to the road surface. So it has had major impact, unfortunately, on that section of road, which has meant that we will finish that in mid-2012.

Whilst that is unfortunate, we are working very hard to see that key features are still delivered this year. The Loganlea interchange will include a new five-lane Loganlea Road overpass bridge—and you and I were having a look at that the other week, northbound and southbound Loganlea Road on- and off-ramps there—a southbound auxiliary lane between the Old Chatswood Road on-ramp and the Loganlea Road off-ramp and upgrades to Winnetts Road, Loganlea Road and the Western Service Road. You and I spoke about the bottlenecks that are caused at those particular intersections. That is really relieving those intersections.

Next year we will convert Village Drive into a cul-de-sac and direct access to John Paul Drive and Winnetts Road from the overpasses themselves. We will have a new park-and-ride facility on Nujooloo Road for improved public transport accessibility and dedicated off-road facilities for cyclists and pedestrians. We will have that final refurbishment of the motorway to improve safety and sustain the life of the road for another 20 years which involves heavy-duty asphalt overlay providing wider shoulders, safety barriers, new line marking and better signage. Importantly—and we talked about this earlier—this particular project will create about 1,400 jobs. I think you have said to me before, member for Waterford, that some of the people building that project are actually living in your electorate and those roadworks are putting bread and butter on their tables.

CHAIR: Can I continue on the Pacific Motorway issue and talk about some of the future planning that is being done for the motorway. How will money set aside for land acquisition for stage C of the Pacific Motorway be spent this financial year? How have land acquisitions progressed to date?

Mr WALLACE: Land acquisitions are an important part of any road construction program. The thing we try to avoid every time we construct bigger and better roads across the state is land acquisitions. We do not go out of our way to compulsorily acquire land but sometimes, unfortunately, we have to and I think most people are understanding about that.

That section of the Pacific Motorway—Daisy Hill to Logan—that we talked about is part of that upgrade. There will be about 238 properties affected by that upgrade; that is, 138 with a total impact—so we need to take them totally—77 with a partial impact and 65 indirectly impacted. We have been progressively assessing those properties and purchasing those properties through hardship requests since 2007—so sitting down where people cannot sell their property and taking them up. I want to thank you personally, member for Waterford. You came to me with some of those hardship queries. We sat down and spoke to those people concerned. I think they are happy with the offers that we have made to purchase those properties. So I want to thank you personally. You are a great local member in that regard.

Following our meeting in August 2010 we have spent an extra \$111.2 million in the 2010 financial year purchasing another 29 properties. So when we are ready to upgrade that section of road we have those properties there ready to go. So as at 30 June, 69 properties, at a total cost of \$37.2 million, had been purchased in the corridor on hardship grounds. A lot of those people are still living in those places. They want to stay there until we need their property. That is good for us, because they now have their property that needs to be maintained. They have some pride in their property. We are really happy with that. Currently, we are negotiating with 16 further property owners who have requested financial hardship acquisitions.

This year we have allocated over \$132 million across the state for property acquisitions. It is a big budget, but it needs to be done when you consider that our budget this year on roads across Queensland is \$3.3 billion—\$3.3 billion. That is a large budget which will have impacts on local property owners, but we pay them market value. It is a good deal for them.

CHAIR: Minister, the Logan community relies on its strong access to road networks for its future growth. Are you able to advise what funding is included in the Service Delivery Statements for planning for road networks for Logan's future?

Mr WALLACE: Thank you, member for Waterford. It is a fast-growing area. Indeed, the member for Kallangur and the member for Redcliffe would also be experiencing the growth in their electorates. My department is continuing to plan for the future growth of the south-west corridor, in particular the proposed satellite cities of Yarrabilba, where we will have 50,000 people; Greater Flagstone, 25,000 people; and Park Ridge, which will have 50,000 homes. So this year we have allocated over \$1 million just for planning on that Logan Motorway, looking at what is going to happen in that fast-growing area of Queensland.

With some of the planning projects that we are looking at, the priorities are the preservation of a route to extend the Gateway Motorway south of the Logan Motorway. That is called the Park Ridge connector—and you would be very aware of that—and master planning to include a grade separated interchange upgrade in the planning of the Logan Motorway to cater for future traffic growth. We have also \$3.5 million for an extension of the Gateway Motorway south of Browns Plains. A further \$2 million has been allocated in 2012-13. Indeed, I was on the Gateway this week—on Monday—having a look at progress on Gateway upgrades south. They are going ahead very well. A lot of that asphalt is going down and your residents will really benefit from that, member for Waterford.

My department will continue to develop options through the Logan Motorway planning study and the Gateway Motorway connection planning study to ensure the network meets all the future needs of Logan City and its surrounding areas. So there is a big program at Logan this year, but so it should be for a fast-growing area like yours. There is a lot of emphasis on that and a lot more to come.

CHAIR: I have one final question and it is about traffic lights. Minister, can you update the committee on advances in traffic signal control technologies?

Mr WALLACE: I can. The department of main roads runs the traffic light network right across Queensland, bar the Brisbane City Council area, through our STREAMS system. We have a good program across the state and we continually get good feedback. Indeed, Victoria and Western Australia are looking at some of our STREAMS technology for use on their particular systems, and we are quite proud of that fact. The Australian standard traffic signal control currently used throughout Queensland and Australia is state of the art. It has a microprocessor based in its system that uses detectors to cut into the road surface. So when you see those saws cutting into the road surface, we are actually putting down detectors to detect vehicles. That allows us to detect where traffic is and have our lights functioning as well as possible. My department is, as I said, leading an Australian roads project to develop specification for the next generation of traffic signal controls. This strategic project will allow new advanced local control technologies to be applied through plug and play—a bit like the old Atari when I was a kid—allowing a quick rollout into the road network and earlier benefits for motorists.

My department is continuing to keep a watching brief on international best practices. Indeed, that allowed us to go from the old halogen light bulbs that you would all be familiar with in traffic lights to the new LED lights. You will see that the new traffic lights across Queensland have LED lights. They last a lot longer than the traditional lights—up to about 10 years compared to three years for the halogen—and use about 60 per cent less electricity. So our maintenance costs are reduced and our electricity costs are reduced. That is good news for motorists. It means that I can put more money into roads.

Our STREAMS system—our intelligent transport platform—is continuing to be developed to ensure we have the best technology possible, we make the best use of our lights across our road system and we really reduce queuing. I think everyone gets a bit frustrated when they come to a traffic light. You might be the only car there and you have to wait for a little while. The next generation system will sense that you are there and that there are no other vehicles and allow you to turn. That is the way of the future.

Dr ROBINSON: I have a question to the minister, again on the Bruce Highway, and the Cairns south region. The Cairns south bottleneck has been a major problem over the past 20 years under this state Labor government. Over the past three to four years or so, under both state and federal Labor, it has become a major issue for the residents of Cairns, those who live south of Cairns and those who have to travel through Cairns. I note the disappointment of the member for Mulgrave in recent comments in the media whereby he was very concerned that the Wrights Creek Bridge job has been put back so far and the fact that your solution to the Cairns bottleneck apparently does not have a lot of new money. I ask the minister to comment on that. Is the member for Mulgrave right or is the minister right?

Mr WALLACE: It is not a choice between the member for Mulgrave and the minister. We both agree that the Wrights Creek Bridge needs replacing. We both agree. I was up there two weeks ago looking at that bridge personally. We both agree that we need federal funds for a new Wrights Creek Bridge. That is what we both agree on. He is a good local member, he knows his area and I congratulate him on that. That is why he fought so hard to get \$150 million for that Cairns southern corridor.

Good news: we are just about to choose our tenderer and we will go out there and start turning the dirt on that project, thanks to the efforts of the member for Mulgrave and a Labor government. There is \$150 million for Sheehy Road south for that Cairns bottleneck under Labor—not a cent under tories, not a cent when Warren Entsch sat there with John Howard. They starved the Bruce Highway south of Cairns. They did not do a job. They did not move a teaspoon full of sand, a teaspoon full of dirt. I agree with the member for Mulgrave: we need a new Wrights Creek Bridge. It is dangerous. That is why we continue to say to the federal government through our planning documents like this, 'Please fund the Bruce Highway. We need further funds for the Bruce Highway.'

Indeed, well before I became main roads minister—before two federal elections ago when John Howard was still in power—I got mayors together from Sarina up to Cairns to look at the Bruce Highway. We said to both sides of federal politics, 'Make a commitment to the Bruce,' and it has only been Labor that has funded some of those commitments in the south of Cairns. I held another summit again before the last federal election with mayors from Sarina north to Cairns looking at the Bruce in Central North and Far North Queensland and a lot of those priorities are contained in here. We do need a new Wrights Creek Bridge, I totally agree with the member for Mulgrave. We need both sides of federal politics to fund the Bruce Highway. But credit where credit is due: the current federal Labor government has more than quadrupled funding for the Bruce Highway.

I go back to that question that he asked, one of the first questions about the Bruce Highway, and let us look at it—let us compare apples with apples. Under John Howard and the Liberals, Cairns, Townsville, Mackay, Rockhampton, Gympie were all ripped off.

Mr GIBSON: You know we were getting money and Rudd pulled it out. You know that.

CHAIR: Member for Gympie.

Mr GIBSON: Caught out, Minister.

Mr WALLACE: We were all ripped off. \$100 million for the Bruce Highway compared to \$480 million from Labor. Only Labor has funded that \$150 million project south of Cairns and only Labor can look after the Bruce.

Dr ROBINSON: I have a question for the minister regarding the Bruce Highway to do with the Mackay ring-road. I note that the minister and the member for Mulgrave still have different views and I note his criticism is still on the record.

CHAIR: Member for Cleveland, again please do not use the chance you have to provide a preamble and context for a question to provide a response to the minister's previous answer. You can ask a question.

Dr ROBINSON: In terms of the Mackay ring-road, and I note that the commitment from the government is \$10 million towards the total estimated cost of \$240 million for the planning, the minister must no doubt be very disappointed about that, as are the people of Mackay? Most of the funding relief in terms of roads that is going to come through is again in terms of the NDRRA money for Mackay. The \$10 million, this very low amount that the government is putting forward, must be disappointing for the minister considering that the federal LNP was prepared to put forward \$30 million. What do you think the people of Mackay would prefer?

Mr WALLACE: The people of Mackay would prefer a ring-road and \$30 million is not going to build a ring-road. We need to start planning. That is why last year, well before this decision, I spoke to my Director-General and we brought forward state funds to start planning this piece of the national network. I congratulate federal Labor for putting the money there, for having the money in the budget to start planning on that Mackay ring-road—a much needed piece of infrastructure for Mackay. That is something that Labor has done.

Let us not forget that De-Anne Kelly, the federal member for Dawson, based and living in Mackay, did not give a cent to that road the whole time she was there. There was 12 long years of neglect of the Bruce by De-Anne Kelly. Indeed, she had the hide to knock off funding for a Burdekin deviation, a new bridge over the Burdekin River between Home Hill and Ayr, when she was the local federal member. That is why I welcome this \$10 million from the federal government for a Mackay ring-road.

Nebo Road going through Mackay is very busy. We want to get those heavy vehicles off it. This year the Mackay-Whitsunday area has received \$194 million in road funding. That is good news for that growing area. During the Mackay regional sittings I talked about some of those projects: \$300 million in NDRRA projects, including 16 new overtaking lanes. Only last week, last Friday, we learnt of further funding from federal Labor for the Bruce Highway through Mackay. The showgrounds intersection is getting substantial funds from the federal government. Indeed, a section of road that I personally looked at with the mayor of Whitsunday, the road that goes up to Collinsville, the Bowen Developmental Road where it intersects with the Bruce Highway, is also getting a makeover.

I want to thank federal Labor who, as I said, compared to the former tory government, has given us substantial funds for the Bruce. But we need more. We need more for our 20-year vision for the Bruce. We need more to make up for the neglect of John Howard. That is why this ring-road planning in

Mackay is so vitally important. That is why I decided with my Director-General to sit down and allocate \$10 million of state funds to bring forward planning on the ring-road. I want to thank federal Labor who have stepped up to the plate.

But let us look at some of the projects in Mackay. They include: Forgan Bridge, a great project, has an amount of \$37.57 million allocated in this year's budget—it is a \$148 million project in Mackay, the biggest roads project ever; Boundary Road and City Gates, a \$12 million project; Temples Lane to Farrellys Road south of Mackay, \$33 million; the southern approaches to Sarina, \$10 million; and Waverley Creek rest stop. Now, you might not know where that is, member for Cleveland, but it is a very important rest stop on the Bruce Highway. A lot of heavy vehicles pull up. I remember when I was a kid that when we drove down to Brisbane in the Datsun 180B mum and dad would pull up, dog in the back, to have a rest at Waverley Creek. We are fixing that up. We are doing roadworks nearby. It is an \$18.5 million project. That is good news. Plus, as I said earlier, there will be new overtaking lanes. There is a lot happening in the Mackay area. But that bypass is vitally important. That is why I decided to bring forward state funding so we could start that planning exercise.

Dr ROBINSON: Just while we are on Mackay, the Fursden Creek Bridge and the Edmund Casey Bridge, can you explain to the public why you did not build them at basically the same time when it would have been a much more cost-effective way to do it? By separating them out into two pre-election periods it actually appears that it is more of a political decision as opposed to a financial decision at a cost to the Queensland taxpayers? Can you explain why you did not build them at a similar time?

Mr WALLACE: The \$43 million Edmund Casey Bridge was actually built to replace an ageing timber bridge that was in great need of replacement. We make no apologies for spending \$43 million in the Mackay community to replace a bridge that was decades and decades old and had come to the end of its useful life. We make no apologies for that. That is why we committed further funds for a new Fursden Creek Bridge following on from that work.

Big projects are underway in Mackay. You have the Forgan Bridge, you have that replaced Edmund Casey Bridge, you have those overtaking lanes, you have those southern connectors, you have \$10 million in planning studies for a Mackay bypass and you have a \$20 million joint levy road that I opened with Tim Mulherin during the Mackay sittings. They are good projects—great projects. I want to thank Col Meng, the mayor of Mackay, who was at that opening. The Fursden Creek Bridge is the next step. Indeed, I was at Fursden Creek last week looking at those works and looking at what we were going to do. I was looking at the Edmund Casey Bridge and announced that we are going to spend \$1.5 million on the trial of LED lights for street lights on the Edmund Casey Bridge. This will be the first time they are used in Queensland. I am a great supporter of those LED lights which, as I said earlier when talking about LED lights for our traffic lights, can save about 60 per cent in electricity and reduce maintenance. That will be the first area to have them. We have \$40 million for the new Fursden Creek Bridge. That is not a political decision, member for Cleveland; that is a decision for the people of Mackay.

Dr ROBINSON: Why did you not build both? Would it not have saved money?

Mr WALLACE: I will take that as another question. The same question could be asked about other bridges. Why did we not build both Gateway bridges at the same time? Why did we not build two bridges over to Redcliffe at the same time?

Dr ROBINSON: Because you ruined the budget. You sent us broke in a boom; that is why you could build not it.

CHAIR: Member for Cleveland, this is not a debate, this is about questioning.

Mr WALLACE: Because we have a budget and projects to deliver in terms of the Edmund Casey Bridge and the Fursden Creek Bridge—and what great news for the people of Mackay. Let us have a look at those projects in Mackay yet again. I know you hate hearing about the things that Labor is doing in Mackay after De-Anne Kelly did not put a cent into it.

Dr ROBINSON: I ask the chair to give the minister guidance about repetition. He has already answered that question. We do not need a re-run of a bad answer.

Mr WALLACE: You asked the same question twice.

CHAIR: Member for Cleveland, if you ask the same question twice do not be surprised if you get the same answer twice. Minister.

Mr WALLACE: We get value for money for our projects. We plan our projects and that is why they are done so well. Go and look at that Forgan Bridge, go and look at the Edmund Casey Bridge. They are great pieces of infrastructure. That Forgan Bridge will stand for 100 years for the people of Mackay it has been engineered so well. Member for Redcliffe, you must love that new Ted Smout Bridge that we built over there. That has been built with the best technology in the world and, indeed, built to withstand a very severe cyclone or storm to allow people to evacuate from the peninsula. It is proper planning, it is project delivery that enables us to do that, and it is also keeping people employed.

Mackay is a great beneficiary from Labor when it comes to roads. They were ripped off under John Howard. At least we are getting some funds now from federal Labor, but state Labor is really looking after Mackay with things like the Forgan Bridge and the Edmund Casey Bridge and our commitment to Fursden. But let us look at what is happening in regional Queensland. I spoke before about the expenditure for the people in regional Queensland: \$1,600 on roads this year for every man, woman and child in regional Queensland.

Dr ROBINSON: Point of order, Chair. My question was about Mackay and the minister is wandering all over the place again.

CHAIR: I think the minister is coming to the end of his answer.

Mr WALLACE: Mackay is in regional Queensland last time I looked. That is a 45 per cent increase for the people of regional Queensland, for the people of Mackay. Mackay is in regional Queensland, member for Cleveland, not South-East Queensland.

Dr ROBINSON: My question was about Mackay. I am happy to talk about Mackay.

CHAIR: The member for Redcliffe has some questions.

Ms van LITSENBURG: The people in my electorate of Redcliffe are really pleased about the delivery of the Ted Smout Bridge and we are also really pleased that the Houghton Highway has not been totally closed since the upgrading has started and since the Ted Smout Bridge opened. What I would like to ask you this morning is with the one lane of the Houghton Highway still closed, and I know there are upgrades still happening, when will that open and when will the upgrades be completed?

Mr WALLACE: Thank you, member for Redcliffe, and you are very proud of that bridge, I can see that. Wasn't it a great morning when we had the communities out there from both sides, from your side and the other side, on that bridge? What a great piece of infrastructure and I think named after a great Queenslander. It has really enabled us to open up that Houghton Highway. As you said, since the bridge has opened we have not had a closure which was sometimes a regular occurrence. Tell me this, though, are the pelicans on the new lights?

Ms van LITSENBURG: No, they are not.

Mr WALLACE: That is good, so they are not pooping on the cars. The \$315 million Houghton Highway duplication project commenced in 2008. I was so proud to be there the day we opened it, with the Director-General, walking across it and having a look. Once we fully complete the project it will reduce traffic congestion and travel times and improve safety for motorists travelling to and from the Redcliffe Peninsula. We are still doing some works on the project, which includes testing and commissioning the Intelligent Transport System, or ITS, which includes variable message signs, speed signs and CCTV so we can look at the bridge and see what is happening there on both the Houghton Highway and the new Ted Smout Memorial Bridge. In order to undertake the testing and commissioning of some of those signs, the project team requires frequent access to the gantries on the bridges where the signs are being mounted. To ensure the safety of those officers testing the equipment and installing equipment, one lane will remain closed on the Houghton Highway bridge only until the testing has been completed. So we make those apologies, but I think everyone is aware that we have to look after our good men and women who are in there building our roads or installing that infrastructure.

All lanes, of course, have been open on the new Ted Smout Bridge since we were there in December and will remain fully open during that testing time. This will minimise disruptions to motorists that would occur if lanes were closed and opened on a regular basis. People like to know where roads are going to be closed and open and get used to that. We anticipate that the Houghton Highway bridge will be opened to three lanes at the end of July, dependent on the successful completion of testing and commissioning of our Intelligent Transport System. Director-General, Mr Stewart, would you like to talk about our ITS system and what benefits that will bring to our network, not only on the Ted Smout Bridge but other areas across the south-east?

Mr Stewart: One of the areas that we are putting a lot of focus on at the moment is intelligent transport systems. We think we can get major improvements in the operation of our whole network. The minister has already spoken this morning about the STREAMS product, the product that we actually own ourselves. As the minister said, it is used extensively not only in this country but also in other parts of the world. Our intelligent transport process is exceptionally important. We can get better value out of the operation of our network. We can look at emergency vehicle identification and then actually move emergency vehicles through the system.

Mr WALLACE: Ambulances, fire brigade, police.

Mr Stewart: One of the other things you are starting to see on our network is variable speed signs. One of the things we can do with variable speed signs is manage incidents as they occur. We can control the flows through roadworks. You will start to see a lot more use of intelligent transport systems. For example, as you drive to the Sunshine Coast and Gympie you will see the speed actuated signs from a road safety perspective. Near the Ettamogah Pub, the sign actually tells people if they are speeding. That is an important part of intelligent transport systems for the future.

Mr GIBSON: I suggest you put a speed camera there as well.

Mr WALLACE: You do not visit that pub?

Mr GIBSON: No, I watch the cars in front.

Ms van LITSENBURG: The Bruce Highway was severely impacted during our summer of disasters. Minister, can you detail for us the work undertaken to restore that part of the National Highway?

Mr WALLACE: I can, member for Redcliffe, and thank you for your question. As we have talked about all morning, at the height of the flooding about one-third of our Queensland road network was under water. It was a very serious event. Operation Queenslander is aimed at getting those roads back up to speed and back in operation. The Bruce is a good example of that. Indeed, I have here a picture of the Bruce Highway at Cardwell just after the cyclone crossed the coast. It was severely damaged and eroded underneath. It took a lot of rock and sand onto the road itself. I have a couple more pictures here of the Bruce Highway. Importantly, we had that road open within 48 hours after that cyclonic event, which showed that we could get our officers into the field quickly to get roads open. First it was opened for emergency vehicles, Army trucks, SES, Telstra and Ergon. They got into those areas very, very quickly. That was our goal. This morning I announced that we are spending about \$370 million between Cairns and Rockhampton on flood repair works on the Bruce Highway. Indeed, the director-general drove between Townsville and Cairns about a fortnight ago.

Mr Stewart: Actually, I drove from Brisbane to Cairns.

Mr WALLACE: You would have seen a lot of those roadworks underway. We have about 140 projects underway on the Bruce at the moment. There is a lot of work underway on the Bruce. The estimated cost to our road network is \$4.6 billion. We think the cost of damage to the Bruce will go well and truly over \$450 million, that is, on the Bruce alone. That shows that we have a lot of projects involved. We are working very hard to not only repair our roads but also, when we carry out those repairs, improve them to be in a better state than they were previously. The changes to NDRRA allow us to repair our roads to current engineering standards. I think that is the terminology.

Mr Stewart: Yes.

Mr WALLACE: Where some of the roads are quite aged, where the surface is quite aged, we will get a far better road surface and far better infrastructure than we had previously. Not only are we opening roads and getting them patched up; we are also improving roads. As I said, the Bruce will be a major beneficiary in that regard.

I want to thank RoadTek, which is our road-building arm within Transport and Main Roads. RoadTek officers responded quickly to that flooding event, not only on the Bruce but also right across Queensland. I had reports back about RoadTek officers out there keeping roads safe, whether through road closures or patching, whilst their own homes were being flooded. They put the safety of motorists ahead of their own houses. I have mentioned our chap in Cardwell who stayed. He could have evacuated, but he said, 'I wanted to stay so that as soon as the cyclone passed I could be out there trying to fix up that highway to get it open.' He knew the value of it. Indeed, he told me about some pretty harrowing experiences and about what happened in that cyclone. We have good men and women doing that job. I thank RoadTek for doing it.

Ms van LITSENBURG: I have a two-part question. Can you inform us of the amount of road funding that is provided to regional Queensland compared to South-East Queensland? Secondly, what is the national average spend on roads?

Mr WALLACE: I touched on this earlier when I answered a question from the member for Cleveland. We are spending a lot in regional Queensland, and so it should be. The people of regional Queensland deserve the same roads that the people of Melbourne, Sydney or, dare I say, Brisbane take for granted. That is why this year we are spending \$1,600 for every man, woman and child in regional Queensland. That is a big, big increase.

I will point out again, and I keep saying it because it emphasises the program that is ahead of Transport and Main Roads this year: at the height of our woes, at the height of the flooding, around 30 per cent of our network was under water, that is, 9,170 kilometres. That is why we have a big investment in regional Queensland. About \$1.18 billion will be spent in regional Queensland this year. In addition, the Queensland government has programmed more than \$1.26 billion in regional and rural Queensland for works. We have a big program across regional roads. As I said, on a per capita basis it is more than \$1,600 for every man, woman and child, compared to \$750 in South-East Queensland. That represents an increase of 45 per cent per person in regional Queensland. That is a 45 per cent jump in road funding this year, which will be welcomed by everyone outside the south-east.

In answer to the second part of your question, when we compare Queensland's capital budget provision to that of other states we see that our state government is spending over five times more than Western Australia and 33 times more than Tasmania. In comparison with other states, Queensland has by far the highest per capita spending on roads. Our \$3.3 billion capital budget this year equates to, on

average, \$735 per person, which is 2.6 times higher than Western Australia and exceeds Victoria's spending by a massive 3.5 times. Queensland's per capita spending compares very, very well with the national average of \$395. The national average is \$395 and Queensland's average is \$735. In regional Queensland it is \$1,600. That is a big budget for regional Queensland.

I will mention some of the key projects outside South-East Queensland that are really fuelling that spend in regional Queensland. In my neck of the woods in Townsville we have the duplication of the Douglas Arterial Road, which is a joint project that we are funding with the federal government. That is a \$110 million project; this year's budget is \$47.9 million. The member for Cleveland talked about the project on the southern outskirts of Cairns, which is a \$150 million project; this year's budget is \$41 million. As I said, we are very close to getting a contractor for that, which is good news for the residents of Cairns.

In this year's budget we have \$5 million to continue the Cardwell Range realignment on the Bruce Highway between Ingham and Innisfail. That is a \$115 million project that is funded jointly by the Bligh government and the federal government. That is really one of the most dangerous sections of the Bruce Highway in North and Far North Queensland. Like the Cooroy-Curra section near Gympie, it is noted for the accidents that have occurred there previously. I thank federal Labor, which has stepped up to the plate and put funding into it. Out west, we have \$16 million to continue widening sections of the Warrego Highway between Roma and Mitchell. That has an estimated cost of \$40 million. There is good news across the state with a record budget but especially in regional Queensland, which suffered so much from those flooding events.

CHAIR: Before we move to the next question, I acknowledge in the gallery today the former minister and member for Waterford, the Hon. Tom Barton.

Ms van LITSENBURG: In terms of the natural disaster repair work that is being done, what is the place along the Bruce Highway that was the worst hit by those disasters?

Mr WALLACE: I thank the member for Redcliffe. A lot of places were very badly hit. The member for Gympie will certainly know about the flooding event that occurred in Gympie for a long time. We also had major events on the Yeppen flood plain south of Rockhampton, where the road was closed for two weeks. That closure meant that we had to get supplies into North Queensland by aeroplane, by ship, by barge—any way that we could. Another place badly hit—and I will show you another picture—was Cardwell. That picture shows the Bruce Highway. South of Proserpine, the Gorganga flood plains were closed repeatedly. I was on that section of road only a couple of weeks ago, looking at the surface. We still have a lot of work to do there. Around Bowen itself, at the intersection from the Bruce Highway into Bowen and further down to Proserpine, the roads were badly hit.

Right across the Bruce we had patches where this rainfall event impacted very heavily. That is why this morning I was so pleased to announce that we will be spending about \$370 million on the Bruce alone between Cairns and Rockhampton on roadworks. Some of those sites are in Far North Queensland. Around the Cairns area we have nine sites. The value of works on the Bruce there is \$60 million. In my area around Townsville there are five sites and around \$20 million in expenditure. In Mackay, which we have looked after so well and will continue to look after, \$42 million will be spent on 75 sites.

The area that stands out for me is the Central Queensland area around the Fitzroy. Areas such as Emerald were very, very badly hit. You will remember that I said earlier that I was on the scene after the flooding and we saw areas of road rolled up like carpet. That was in that Fitzroy area, which was so badly impacted. We will be spending about \$248 million on the Bruce alone in the Fitzroy area, on 27 sites. There is a lot of money going into the Bruce for flood recovery works, and so it should be. That is our backbone. It is our network up and down the coast. That is why the Premier and I released that strategy, so that we can know the works that need to be done on the Bruce. This flood work is on top of that.

As I say to motorists constantly, and you would have experienced this: be patient when you drive the Bruce. There are a lot of roadworks currently. I want my traffic controllers and my people building those roads to come home at the end of the day. I want them to come home safely. So obey the signs, obey the directions. When we finish these roadworks, we will have better roads.

Dr ROBINSON: I have a question about the impact of the carbon tax on the outgoing years. It is widely acknowledged that the carbon tax will have a flowthrough, very broadly, into the community in terms of cost increases. There is no question that there will be an increase in the cost of transport. There is no question that there will be an increase in the cost of construction, including road construction. Minister, do you believe in the carbon tax? Primarily, how do you see it impacting on the outgoing years of the Main Roads budget? Have you in some way accommodated that into these figures?

CHAIR: The out years?

Dr ROBINSON: The out years, yes.

Mr WALLACE: That is not a topic for discussion here today.

Dr ROBINSON: It is the budget out years.

Mr WALLACE: I do not mind answering.

Dr ROBINSON: You don't know the answer to that, Minister, whether there will be an impact—

CHAIR: Member for Cleveland, what the minister is saying is that we are considering the appropriations for the 2011-12 financial year and your question was specifically targeted at years beyond that. I think by definition the carbon tax starts on 1 July 2012, if legislated. Minister, if you can help the committee that would be good.

Mr WALLACE: I will talk about carbon tax, Mr Chair. In early February, my family and I, along with two other families, sheltered under our staircase in Townsville. Like most of the people in North and Far North Queensland, we sheltered under our staircase for a number of hours. We had no electricity for a week. The strongest tropical cyclone to cross our coast in many, many generations impacted on my community. It impacted on me personally. I saw the devastation that it caused to my beautiful part of Queensland. I saw firsthand the flooding across our state, as I have said repeatedly today, as a result of this year's summer of woes. I do believe that climate change is an important topic. When I have my family sheltering under a mattress and fearing for our lives, when I have neighbours staying with me—people who were scared—I do believe that climate change is an important issue that we have to tackle. I make no apologies for that. I make no apologies for it.

We will work as closely as we can with the federal government to minimise the impacts of any carbon policy on the people of Queensland. But you cannot look me in the eye after what I have been through, after what my family has been through, after what the residents of North Queensland and Far North Queensland have been through this summer, and say that we cannot do anything.

You cannot look me in the eye and say that we should sit on our backsides and watch this occur. You were not with me, member for Cleveland, as I had to talk to my residents across the whole of the north every hour on local radio about what was happening—about the expected storm surge, which literally could have wiped my city from the face of the earth. You were not there, member for Cleveland, when I had to speak to my neighbours who had trees go down in their yard.

Dr ROBINSON: This is all important and I appreciate what the minister is saying and certainly acknowledge that. I am not sure how it answers the question about projections starting from this budget going forward. He has been happy to answer lots of questions about projections going forward and the 20-year plan, but he continues to avoid the question about what are the likely impacts of the carbon tax on the Main Roads budget, because it underpins the budget. If the budget is affected by it, then what they are putting forward cannot be delivered. I ask him to return to the question and I respect that what he was trying to say was important.

CHAIR: Thanks, member for Cleveland. Minister, it might help if you direct your comments through the chair. Member for Cleveland, your question was specifically targeted at outyears rather than, say, planning done this year or anything else. So the minister is answering, in a general way, a question that I could have ruled out of order. Do you want to ask another question? I can rule the question out of order.

Dr ROBINSON: I am sorry. I misunderstood.

CHAIR: Minister, you can finish your answer.

Mr WALLACE: Thank you. There are no impacts in this year's budget from this policy that was released on Sunday in Canberra. I can say to the member for Cleveland and to the whole committee that we cannot turn our backs on this. I have seen firsthand the devastation that these events caused to my community. I am not going to act like an ostrich and put my head in the sand. I will always look after my community. My family has been in North Queensland for 130 years. I want my kids to live there at the same time as well.

Dr ROBINSON: Minister, I have a question in terms of the cost of living. We have all noted in recent years, including in this budget, the significant increase in the cost of car registration. We have also noticed the very significant imposition of a fuel tax upon motorists that has been very expensive and has contributed to the cost-of-living pressures that everyday motorists around Queensland face. I ask you, Minister: when there are cost-of-living increases of this kind on top of increases in electricity and rates, all under this failed Labor administration, do you understand why people are crying out for change?

Mr WALLACE: Mr Chair, I am happy to take that question, but the Minister for Transport is the responsible minister for car registrations. I am happy to talk about our funding for roads if you like.

CHAIR: We can talk generally.

Dr ROBINSON: It is the cost of petrol as well and general costs to motorists.

Mr WALLACE: I am happy to talk about road expenditure if you like.

Dr ROBINSON: No, that is not my question.

CHAIR: Sorry, member for Cleveland, your question actually relates to questions about levies that are not fees levied by the Main Roads portfolio; they are fees levied by either transport or by—

Mr WALLACE: Treasury.

CHAIR:—Treasury. You can have the minister make general comments on cost-of-living and road funding or you can hold those questions over for the Minister for Transport later this afternoon. It is up to you.

Dr ROBINSON: We will defer that to the Minister for Transport. Minister, I want to highlight something and ask, first of all, the director-general, David Stewart, a question and then ask the minister a follow-up question. I have here—and I will table it—a copy of a sign with quite a bit of detail on it. It is about a road project, the \$127 million road upgrade on the Gold Coast from Stevens Street to Harley Street from 2007 to 2011. It says, 'it is now finished. Thank you for your patience, Peta-Kaye Croft, MP, state member for Broadwater.' I table the document.

I would be interested, first of all, in the director-general's comments on that, specifically whether the amount on that sign is correct; secondly, whether that sign, which has the words 'Main Roads project' and 'local Labor MP', was approved by Main Roads and, if so, what was the approval process? Also, who paid for that sign?

CHAIR: I am just asking the secretary to mark it as a tabled document and provide a copy. Are you happy to proceed?

Mr Stewart: Could I have a copy of it, because I need to look it up to find out whether the amounts are correct?

CHAIR: We are running to get a copy for you.

Mr WALLACE: If I can comment while we are getting a copy—

Dr ROBINSON: I did not ask the minister. I actually directed the question to the director-general and then I have a specific question for the minister.

CHAIR: The director-general has asked to see that. There is a photocopier just out the back. As soon as we have the copy we will proceed.

Mr Stewart: Can you just tell me the name of the road again that was on the sign?

Dr ROBINSON: It is down on the Gold Coast. I will give you the specific name. It is part of the Bruce Highway.

Mr WALLACE: There is no Bruce Highway on the Gold Coast.

Mr Stewart: No. Is it the Pacific Motorway?

Dr ROBINSON: Just to give you the exact section name, it is from Stevens Street through to Harley Street. That is what it is signed as. That is what is on the Labor Party's sign.

Mr WALLACE: It would be the Gold Coast Highway, I dare say, member for Cleveland.

CHAIR: We have a copy now. I think it is Stevens Street to Harley Street.

Mr Stewart: I am going to have to try to get more details about this sign. I do not know this particular specific section. I will come back to you. I just need to go and do my own research on this. I can tell you that we have very clear policies around signing on our projects. I am not aware of this sign.

Dr ROBINSON: Would this appear to meet those guidelines?

Mr WALLACE: It is not printed by Main Roads. The member may have used their electoral allowance.

Mr Stewart: It is not a government sign. Again, I have to look at the *Manual of Uniform Traffic Control Devices* and look at it in detail. If you give me some time I will have a look at that.

Mr WALLACE: Indeed, my opposition candidate has got his own sign up on the main road in Thuringowa, on the Riverway Drive. Who paid for that?

Dr ROBINSON: I am happy to take that on notice.

Mr Stewart: I do not believe that I can take questions on notice.

CHAIR: I think there are two issues. One is about whether it is paid for by Main Roads. Your question about the *Manual of Uniform Traffic Control Devices* is about whether it is a legal sign or—

Mr Stewart: Yes.

Dr ROBINSON: Who authorised it? Who paid for it? Are the details on it correct?

Mr WALLACE: Mr Chair, if I can give some clarity, I am aware of this sign. I was there with Peta-Kaye Croft. She paid for it with her electorate allowance, as members of parliament do—and so they should. So any assertion here that Main Roads has produced this sign is absolutely incorrect. Members

of parliament should be out there advertising what is in their electorates. They should be thanking motorists for the works that are undertaken in their electorate and the patience that they show. Mr Chair, it is a furphy to say that Main Roads paid for this sign. I think congratulations should go to the member for Broadwater for thanking her motorists for being careful.

Dr ROBINSON: I did not make that assertion. I asked a question. The minister is getting very rich about being asked questions—

Mr WALLACE: I am not being rich whatsoever. I am just trying to point out the facts.

Dr ROBINSON:—that he is in some way involved.

CHAIR: I have just received advice. I understand that the director-general can take a question on notice.

Mr Stewart: Okay.

CHAIR: The director-general has asked for time to get the detail about that.

Mr Stewart: If you do not mind, because it appears to be a banner, not a sign. So I just need to understand the context—where it is and those sorts of things. I am very happy to come back to you.

Dr ROBINSON: My question to the minister is a supplementary question on this same topic. I am happy to table a *Member's Update* from June 2011 from Peta-Kaye Croft, the member for Broadwater, that has a picture of the sign in it with the same wording along with the member Peta-Kaye Croft and also the minister standing beside the sign. I am happy to table that.

My question to the minister is: is it usual practice in Main Roads for the credit for a Main Roads project to be taken by Labor MPs when it is taxpayer funds that have built the project?

Mr WALLACE: Thank you. I like that question, member for Cleveland.

CHAIR: Would you like a copy of the—

Mr WALLACE: No, that is fine. I reckon every MP should take credit when projects are delivered in their electorates—and so they should. Just like the member for Redcliffe—

Dr ROBINSON: When they are funded by taxpayer money, Main Roads budgets?

CHAIR: Member for Cleveland, the minister—

Mr WALLACE: That is what MPs are elected to do: to serve—

Dr ROBINSON: Why would you not have Ros Bates there then? Why not have the LNP candidates as well? Why were there only the Labor candidates?

CHAIR: Member for Cleveland, you have not let the minister even start his answer. Please let him finish.

Mr WALLACE: I reckon it is great when local members—

Dr ROBINSON: It is a rort.

CHAIR: Member for Cleveland—

Dr ROBINSON: It is a rort.

CHAIR: Member for Cleveland, your behaviour is disorderly. If there is further conduct like that, I will have to deal with you under the standing orders.

Mr WALLACE: I reckon it is great when local members go out and lobby for roadworks in their electorate. I reckon the member for Gympie should go and look at that Cooroy-Curra section. I think you have been there before. I think it is great news, and good on you for lobbying for that. I know you lobbied for that. That is what you should do as a local member of parliament. You should go and lobby for funds for your electorate.

Are you trying to say, member for Cleveland, through you, Mr Chair, that local members should sit there mute? Why should they sit there mute? Members of parliament should be lobbying for every cent for their electorate, just like the member for Redcliffe did when we did that bridge, just like the member for Kallangur does repeatedly over various issues on the Bruce Highway in her electorate, just as we talked about the member for Waterford coming to me and saying, 'We want some hardship applications.'

I say congratulations to the member for Broadwater. You could not get a better advocate for roads in a local area than the member for Broadwater. She is constantly coming through my door. If she wants to say thank you to her local residents for their patience, if she wants to pay for the sign herself, good on her. It shows that she is not lazy, that she is out there working for her community, that she is out there trying to get every cent for better roads, for better services on the Gold Coast. It is what we are all elected to do as members of parliament: to represent our electorates. I reckon good on the member for Broadwater for lobbying for the funds. I tell you what, she is doing such a good job that she will be there after the election to get more road funding as well.

CHAIR: Member for Kallangur.

Ms O'NEILL: Minister, we have heard today that Queensland's state controlled roads have suffered more damage than probably any other asset. Of course, in my electorate, as you and I have discussed often, the AJ Wylie Bridge, which is on Gympie Road at Petrie, was badly damaged. It was closed in January for a while and then the northbound bridge had to be closed again. I was very pleased when you announced that we would be replacing that bridge. Could you provide us with any updates on this important project?

Mr WALLACE: I can, and thank you for your lobbying, as you should do as the local member. The opposition, from their performance this morning, thinks you should sit there mute and not talk about road funding in your electorate. I say: good on you for what you have done with the AJ Wylie Bridge. You have got a great result: a new bridge, as you said, that we are going to build.

AJ Wylie Bridge on Gympie Road at Petrie crosses the North Pine River. Works to reconstruct AJ Wylie Bridge are expected to be completed by late next year. That is good news for local motorists. Like Peta-Kaye Croft, I thank them for their patience while those roadworks are carried out. That is part of our Operation Queenslander, which is the program to get Queensland moving again.

During the January floods the bridge sustained significant damage and the northbound bridge, the low bridge—there are two bridges there—has remained closed since 20 January 2011. We did carry out emergency repairs on the other bridge, the high bridge—the southbound bridge—which is open to one lane of traffic in each direction to get vehicles across. We carried out comprehensive inspections, which occurred over a couple of months, and they revealed that the structural integrity of the northbound bridge was compromised. Indeed, we had to bring in divers with wetsuits and gear on to go under the bridge and have a look at that bridge to see what it was like after the rain that came down. That revealed that there had been scouring around the piers—that is where the sand gets scoured away as a result of the water moving past—and cracking on some of the sections of the support structures. So we really could not allow traffic to go back over that bridge. It could potentially cause a very serious accident.

In March the decision was made to replace the northbound bridge and works are now progressing towards that. The new northbound bridge will be built at a similar height to the high bridge and it will improve flood immunity. So we will get a good result in the end. It is expected that the replacement of the northbound bridge will take 18 months to complete, weather permitting. We always have to be careful about the weather. The steps involved in replacing the bridge include design; relocation of existing utility services on the bridge, which includes a sewer and a water main—and they do take some time and you have to be very careful when relocating them—construction of temporary pedestrian facilities; demolition of the existing northbound bridge; and construction of a new one.

The complexity of the process requires the development of options involving the consideration of user needs and safety, environmental impacts and construction approach and costs before we can demolish the old bridge and start construction. My department is currently addressing traffic management near the bridge. Again, I thank you for keeping your residents informed and I thank your residents for their patience. Changes have recently been made to the traffic signals at the Petrie paper mill to allow more through time for traffic on Gympie Road. Have you noticed any difference there, member for Kallangur?

Ms O'NEILL: Yes.

Mr WALLACE: That is good to hear. Pedestrians and cyclists will also be catered for while the new bridge is built. Access across the river will be maintained and will be included as part of the permanent bridge structure. Your community needs thanking. Local government and state government agencies and business will be kept informed of the progress of the reconstruction works. In fact a public meeting will be held this Friday night in Petrie where locals can meet face to face with our project team and talk about the details. We did a similar thing in Redcliffe, as you will remember, member for Redcliffe, when we constructed the bridge over there.

This bridge is being funded under our Natural Disaster Relief and Recovery Arrangements, or NDRRA. It is all about Operation Queenslander to reconnect Queensland. May I suggest, member for Kallangur, that when we have completed that new bridge you might want to do a banner similar to the one the member for Broadwater did to thank people for their patience and to talk about that great project. I think that is a good one.

Ms O'NEILL: I certainly will, Minister.

Mr WALLACE: Talking about keeping local members informed, I table for the information of the House a joint media release which I did with the member for Gregory about some traffic signals in the Emerald area. So that shows that there are some members of the opposition—

CHAIR: Minister, are you seeking leave?

Mr WALLACE: I seek leave to table it.

CHAIR: Is leave granted?

Leave granted.

Mr WALLACE: There are some members of the opposition who do want to talk about roadworks in their area and are proud of the efforts they put in. The member for Gregory needs a pat on the back. He is out there working constantly for his electorate. It is a pity that some in this room are not.

Ms O'NEILL: Further to the damage done to the national network, can you please detail what work will be done on the Warrego Highway to improve and maintain this important link to Western Queensland?

Mr WALLACE: Thank you, member for Kallangur. You have been to Western Queensland plenty of times. In fact you were out on the Warrego with me. We went out to open that new bridge way out west near Charleville a couple of years ago. So you certainly know that section of road well. The Warrego did sustain very considerable damage as a result of this year's flooding events, and the focus is now firmly set on reconstructing the highway and maintaining it as a safe route for all road users. It is a very important highway linking Western Queensland, and the importance of that highway cannot be underestimated. It extends from Ipswich to Morven and is part of the Brisbane to Darwin strategic freight route. This makes the highway vital for the oil, gas and primary industries sectors, particularly that burgeoning Surat Basin energy sector.

CHAIR: Minister, you have one minute.

Mr WALLACE: I will be quick then. Work began in March to repair major sections of the road. West of Mitchell is an \$82.46 million project on the Warrego. These reconstruction roadworks will cover sections along a 92-kilometre stretch of the highway. As well as federal flood restoration, we have some funding from the federal government to allow us to handle type 2 roadtrains between Roma and Mitchell. Further to the east, work is underway on a section to upgrade between Macalister and Warra. That is a \$12 million project to improve drainage, and we are doing that in conjunction with NDRRA funding.

I want to point out one thing about the Warrego. In this state budget we bit the bullet and, even though this is national network, we have put up \$96 million of state funds for the Warrego. We have allocated \$6 million in this budget to start those works. They are much needed works on the Warrego. I call on the federal government to follow suit to give us further funds for the Warrego Highway. We have also gone further with \$11 million for four key intersections through Toowoomba which is good news. So we are really doing a lot of work on the Warrego, just like the Bruce.

CHAIR: Thank you, Minister. The time allocated for the consideration of the proposed expenditure for the organisational unit of Main Roads within the portfolio of the Minister for Main Roads, Fisheries and Marine Infrastructure has expired. On behalf of the committee, Minister, I thank the officers of the Department of Transport and Main Roads for their presence here today and for their assistance.

The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 9 am on Monday, 18 July. The transcript of the hearing this morning will be available on the Hansard page of the Queensland parliament's website in approximately 1½ hours.

The committee will now break and resume at 11.30 am, with the committee examining the proposed expenditure for the organisational unit of marine infrastructure within the portfolio of the Minister for Main Roads, Fisheries and Marine Infrastructure. Thank you, everybody.

Mr WALLACE: Thank you.

Proceedings suspended from 11.05 am to 11.30 am



CHAIR: The estimates hearing for the Transport, Local Government and Infrastructure Committee is now resumed. On behalf of the committee, I welcome back the minister. I also welcome the officers of the department and related entities. The committee will now examine the proposed expenditure for the organisational unit of marine infrastructure within the portfolio of the Minister for Main Roads, Fisheries and Marine Infrastructure. The time allocated is 45 minutes. The question before the committee is—

That the proposed expenditure be agreed to.

I call the member for Redcliffe.

Ms van LITSENBURG: Minister, I am proud to represent Queensland's greatest coastal electorate where marine infrastructure is so important, as it is to all Queensland coastal areas. What are the budget priorities for marine infrastructure in the appropriations for the 2011-12 financial year?

Mr WALLACE: I thank the member for Redcliffe. What a beautiful electorate you live in, and you are so right. I might disagree on it being the jewel in the crown, but what a great electorate. I know marine infrastructure is vitally important to your constituents. They enjoy the ocean that surrounds them on that peninsula, and quite rightly so. It is an integral part of your local community. I want to congratulate you as a great local member. Talking about great local members battling for their area, I seek leave to table an invoice from Peta-Kaye Croft for payment of that banner that we talked about earlier. I can confirm that the budget for that project was \$127 million. So good on Peta-Kaye Croft for fighting for her electorate.

CHAIR: Is leave granted?

Leave granted.

Mr WALLACE: Member for Redcliffe, well done in lobbying for your electorate as well. The Bligh government is investing heavily in upgrading our maritime infrastructure and vital maritime connections. This will help support industry and continue our commitment to increasing international exports right across the coast. Major investments in 2011-12 include \$146.8 million towards the ongoing expansion at the Port of Gladstone and additional works at the Port of Bundaberg and Port Alma as well. In my home town we have the Port of Townsville. We have allocated \$87 million for plant and acquisition, infrastructure development and port improvements at Townsville itself and at the Port of Lucinda. Up north in Cairns, the Far North Queensland Ports Corporation Ltd has allocated \$12.5 million towards new and continuing seaport developments within its ports in Far North Queensland. I was really pleased to be up there the other week looking at the development on the foreshore. That will really help make over Cairns. It is great to see my ports working with the local community to create a good environment.

I was at Abbot Point last week. It is excellent to see the high interest and the take-up by Australian and international companies as part of our \$6.2 billion expansion of coal terminals—T4-T7 is the name of that project. I recently toured that port, as I said, last week with 60 people from 30 major companies keen to be on the ground floor for this massive development. There is a lot of interest at Abbot Point. As I said, in Cairns we funded a world expert on ports to advise the government if demand exists, and if it is feasible, to dredge a better channel for cruise shipping into Cairns Harbour. Our redevelopment of the Cairns cruise ship terminal actually won an award. We maintained the historic building there. We upgraded that and won an architectural award as part of that design. Cruise shipping is important for Cairns, and we have a strong commitment to it in spending \$13.6 million on the cruise terminal for that city.

We are also funding vital infrastructure to ensure Queensland's environmental jewels are protected from maritime incidents. The director-general and I were in Townsville the other week to launch our new ReefVTS tracking system to cover the entire Great Barrier Reef from the Torres Strait down to Bundaberg. The ReefVTS tracks ships coming into our waters near the reef and ensures that they take the appropriate channels. It can give warnings if a ship veers off course and is in danger of hitting the reef. It is the largest mandatory ship reporting system in the world, and quite rightly so.

Finally, I acknowledge the superb efforts made, and are still being made, by my department in the areas of marine infrastructure, ports and MSQ to get our ports and our marine infrastructure working after repeated natural disasters. Eleven of our ports were damaged and had to be repaired so that our national and international shipping trade was not disrupted. These are vital projects that support Queensland exports, Queensland jobs and Queensland communities. So people in your electorate, member for Redcliffe, as you said, not only enjoy the ocean but also enjoy the jobs and the money that comes into Queensland as a result of the operations of our ports.

CHAIR: I call the member for Cleveland.

Dr ROBINSON: My first set of questions is to do with the port lease costs. I want to thank the CEOs that have joined us today. I would like to first of all ask some questions of the CEO of the Gladstone Ports Corporation and then of the Far North Queensland Ports Corporation, the North Queensland Bulk Ports Corporation and Port of Townsville Ltd.

Mr WALLACE: On a point of order, Mr Chair, which order shall we do this in—in that order?

Dr ROBINSON: I am happy to do this in the order that I have just read, if that is fine with the chair.

CHAIR: You cannot ask a question to a group of people. You need to ask one person one question.

Dr ROBINSON: Yes, I can.

CHAIR: Your first question about port leasing costs is to whom?

Dr ROBINSON: To the CEO of the Gladstone Ports Corporation.

Mr WALLACE: Mr Zussino is the CEO.

CHAIR: Mr Zussino, can you please approach the table? Member for Cleveland, ask your question to Mr Zussino.

Dr ROBINSON: Thank you. I have two questions. Can you advise us of the lease charges at the Gladstone port for the years 2009-10, 2010-11 and projected 2011-12?

Mr Zussino: I would have to provide them in writing. I do not have that information with me at this point in time. We have a number of leases. Some of the leases relate to large corporations which are legacy leases from a long time ago. For example, for Queensland Alumina the lease was done in the 1960s. We have current leases which we do on a straight commercial basis. So I am happy to provide that information to you but I could not give it to you verbally.

CHAIR: Mr Zussino has asked to be able to take that on notice. The committee has received further advice since the break that it is the minister who has the discretion to take it on notice. Minister, are you happy to take that on notice?

Mr WALLACE: As Mr Zussino said, we would literally have hundreds or tens of leases at Gladstone.

Mr Zussino: We would have dozens of leases and, as I said, they fall under different categories because of timing. They are all long-term leases. The majority of them are long-term leases. So there are legacy leases going back to the 1950s and 1960s which obviously have a different commercial outcome to the leases that we have today. I am happy to provide that information.

Mr WALLACE: There would also be commercial-in-confidence arrangements that we need to be aware of, member for Waterford. Many of these companies operate under a commercial environment and we have to be very careful about releasing specific figures. I will leave that with Mr Zussino to have a look at that and ensure that we provide the correct advice.

Mr Zussino: Chair, I thought the question was about the global amount of the leases. Was that the question?

Dr ROBINSON: Yes. I am interested in the breakdown as well.

Mr Zussino: In the breakdown—specifically I need to understand what you mean by that.

Dr ROBINSON: It is anything to do with information about the cost of the port leases at Gladstone port and equally with the other ports as well.

CHAIR: If the question is going to be taken on notice, we need to be quite specific. So you would like to know the global figure of leasing costs paid by people who access port land. Is that right?

Dr ROBINSON: Yes.

CHAIR: As well as the costs of the individual leases?

Dr ROBINSON: Yes, for 2009-10, 2010-11 and projected 2011-12.

Mr Zussino: I can certainly do the first part. But most of the contracts we would have would have commercial-in-confidence arrangements inside them. But I can inform the member that, in terms of our total remuneration, the lease charges that we have are very minor. They are a very small part of the revenue stream of the Gladstone Ports Corporation. I would have to check. I am happy to provide whatever we can. But I would have to check. I am certain that most of the leases that we have would be commercial-in-confidence. But certainly I can give you the global figures which would not be a significant sum of money in terms of the revenue that Gladstone Ports Corporation actually raises every year.

CHAIR: The committee would appreciate all the information you could provide.

Dr ROBINSON: As a follow-up to that, what would be your estimation of those lease charges over the last three years that are then passed on to sublessees, both seabed and land? Has there been an increase? Has it been stable? Has there been a reduction in cost?

Mr Zussino: The charges that are struck are under a policy that requires us to charge a commercial rate of return on our leases, and that is done from a valuation that is done at that time. Then we are required to review the valuations every few years. So it is just a CPI adjustment to that after that. So it is the WACC rate that is provided to us by the government and agreed under policy and that is what we apply.

Dr ROBINSON: Thank you. Just to clarify that, has there been any level of increase in those lease charges in the last three years—2009-10, 2010-11 and projected 2011-12?

Mr Zussino: The CPI—I think they are reviewed every five years in terms of the revaluation of the value of the land.

Dr ROBINSON: So you are suggesting that the increase is simply by the CPI.

Mr Zussino: Yes, and then the revaluations are done every five years or so. Just to clarify that, it is a very minor part of the revenue stream that the Gladstone Ports Corporation collects.

Dr ROBINSON: Thank you. If I could ask the question to—

Mr WALLACE: Who was next?

Dr ROBINSON: Chris Boland, the CEO of Far North Queensland Ports Corporation.

CHAIR: Mr Boland, can you come to the table?

Dr ROBINSON: I have a similar question over the lease charges for the periods 2009-10, 2010-11 and projected 2011-12 and whether there has been any increase in those lease charges in that period of time.

Mr Boland: Similar to the CEO of Gladstone Ports Corporation, we can provide that information in some detail. There will be issues in terms of confidentiality of individual leases. The leases are structured in our case where we pay, on the whole, market value for the land with CPI increases—very similar to what Leo was talking about. The overall quantum of leases for the Port of Cairns is around the \$9 million mark, but we can provide that information on those.

CHAIR: Minister, are you happy to take that question on notice?

Mr WALLACE: Yes. In a similar vein, again there are commercial-in-confidence arrangements and we need to be very careful about this. Many companies are competing against each other and would desperately love to know what each other are paying. So we have to be very careful in that regard.

Dr ROBINSON: Thank you, Chris. That is all I wanted to ask you. With the forbearance of the committee, I have two quick questions. The next question is to Jeff Stewart-Harris, the CEO of North Queensland Bulk Ports Corporation.

Mr WALLACE: He is the acting CEO. Mr Fish, who is the CEO, is on leave.

CHAIR: I call the member for Cleveland.

Dr ROBINSON: Over the last three years—2009-10, 2010-11 and projected 2011-12—how would you describe the cost of leases under the North Queensland Bulk Ports Corporation?

Mr Stewart-Harris: Thank you for the question. At a headline level, the budget for the current year, for the 2011-12 year, is \$9,396,000—so close to \$9,400,000 of rent revenue across the board. There are different circumstances in different ports. You would be aware that we have the Port of Hay Point, the Port of Abbot Point, the Port of Weipa and the Port of Mackay. The majority of that is land revenue rental from the Port of Mackay, at just under \$6½ million. I am happy to provide far more detail in writing, Minister, through the chair.

CHAIR: Are you happy to take that on notice?

Mr WALLACE: Not a problem. Again, I must emphasise the commercial-in-confidence arrangements at the particular port, but we will get those figures. We have got nothing to hide.

CHAIR: Those commercial-in-confidence questions relate to individual leases, not necessarily global figures.

Mr WALLACE: Correct. Absolutely.

CHAIR: I call the member for Cleveland again.

Dr ROBINSON: Thank you. The fourth one is Ranee Crosby, the Acting CEO, Port of Townsville Ltd.

Mr WALLACE: Ranee is acting CEO; Mr Holden, the CEO, is on leave.

Dr ROBINSON: It has got pretty easy for you now, Ranee. It is a similar question. I apologise for the repetition but we did ask a question on notice looking for this information and we did not get it.

Mr WALLACE: You asked the wrong page.

Dr ROBINSON: Ranee, for 2009-10, 2010-11 and projected 2011-12, through the minister, could we have information taken on notice—

CHAIR: For the sake of purpose, I think you should ask Ms Crosby and then if she cannot answer it the minister will have the opportunity to take it on notice.

Dr ROBINSON: Okay. Could you make a comment about the cost of the leases over that period of time in terms of increases, CPI or above CPI, whatever is the situation?

Ms Crosby: Certainly. For the 2009-10 year, our total rental revenue—and that includes land and our small boat harbours—was \$5½ million. Our estimate, which we are reconciling at the moment, for the 2010-11 year is \$6.3 million. Our forecast for the 2011-12 year is \$6.5 million. Townsville is a bit of a diverse port. We are a landlord modelled port. We have more than 100 tenancies and, as you could imagine, they all have different mechanisms and have existed over a number of years so we have a variety of rental review mechanisms. Some of those are pegged to a percentage of the Valuer-General's valuation for rating purposes, some are pegged to CPI increases only, some have market rental review mechanisms. So across 100 leases, it is a bit difficult to give you full details but we can certainly give a breakdown.

We have seen those increases and are generally trying to get up to market value wherever our leases enable us to do. This is benchmarked against the Townsville industrial property market in general. Our average rental revenue is about \$7 per square metre per annum at the moment. The market in Townsville is around \$8 to \$10 a square metre for industrial land.

Mr WALLACE: We have a lot of historic leases in Townsville too that date back to the seventies and indeed some to the sixties.

Ms Crosby: Yes. The port of Townsville has been operating for more than 100 years so you can imagine that some of those leases date right back to various policies and the various government instrumentalities that the port went through prior to corporatisation. I am happy to provide any more detail that is needed.

Dr ROBINSON: Thank you. I have had a fair bit to do with the Townsville port, having lived there for 13 years and having gone in and out of that port many times to go fishing, so I do appreciate the importance of the whole port to the region.

Ms Crosby: Thank you very much.

Dr ROBINSON: I thank each of the CEOs who have taken the time to come down. We did ask them to come down to try to clarify those points because they were not being clarified previously by the minister. I thank each of you for that.

Mr WALLACE: Because the wrong question was asked by the member for Cleveland. You think he would have learnt—

Dr ROBINSON: My question to the minister—

CHAIR: No. Minister and member for Cleveland, let us not get into the debate about the question on notice. Member for Cleveland, what is your next question?

Dr ROBINSON: Just wrapping this up, I have a question to the minister. I appreciate the answers in terms of CPI increases and their overall cost of running the ports and I appreciate also the commercial-in-confidence nature, and I am hoping that the minister will not hide behind that with some of the information.

Minister, why are so many small marine and marine dependent operators—whether they are charter boat operators, small businesses that operate through or are reliant on seabed leases or small businesses that have some cost on land that is attached to or connected with a port; these are the small sublessees down the chain from the cost of the lease—saying that there have been dramatic increases in the cost of their subleases? Some of these are boat and trailer clubs, like the Moreton Bay Trailer Boat Club in Manly. They are saying that there has been a dramatic commercialisation of the rates. They are wilting under those increased costs. Minister, will you give some sort of commitment that in the commercialising of the rates in these ports you will somehow quarantine or help these businesses and these small trailer boat clubs to survive? They are currently struggling to survive under your government's management.

Mr WALLACE: The member for Cleveland talks about the Moreton Bay Trailer Boat Club. An existing debt was transferred from the Port of Brisbane relating to unpaid rental and dredging contributions. We are working very closely with that club to recover those funds, but at the same time we are doing it in a sensible manner.

Dr ROBINSON: Sending them broke.

Mr WALLACE: Member for Cleveland, you might want to forgive debts for—

Dr ROBINSON: Have you been there? I have visited them many times.

Mr WALLACE: I have, yes. I was down there—

Dr ROBINSON: Do you know the reality on the ground?

CHAIR: Member for Cleveland, I warned you before about disorderly conduct. If we can go question and response, question and response, we can get through this and get more information for the committee. Minister.

Mr WALLACE: Thank you. In fact, I was there the other week, member for Cleveland. You will be pleased to know that we have installed a GPS marker point at the ramp there to enable boaties to have safer access into and out. That is a good step forward; we are restoring those GPS marker points at our ramps and restoring infrastructure up and down the coast.

We do have a boat harbour pricing policy and we do try to strike a balance. We do provide infrastructure at these particular boat harbours and it does cost many millions of dollars. This may include sea walls, dredge channels, navigation aids, amenity blocks and outer harbour boating facilities. The cost of this infrastructure is substantial, especially dredging in those boat harbours. This is needed to keep them open and keep them available to boats so they can come in and out.

These harbours serve as an important hub for commercial marine or industry and they help provide jobs in local communities, not only for people using the waterways. In fact we have a tenant who is really enjoying their lease at Manly and they want to expand their restaurant down there. That is a good thing. They are finding it very, very good in that particular location.

We have a number of methods whereby we work with locals who use those facilities to ensure we do get some return to enable us to put it into dredging, sea walls, maintenance, et cetera. Indeed, industry supports that rental methodology; it is based on the turnover model. We are working very closely with DEEDI to come up with a model that ensures consistency across our boat harbours.

You have to look at this separately. Boat harbours and ports are separate issues. You have heard from my port CEOs about the information that they are going to return, but boat harbours are a separate issue. We are negotiating very closely with tenants about our calculation of that. Captain Quirk is my general manager from Maritime Safety Queensland. Captain Quirk, do you wish to comment further on our negotiations over boat harbours with tenants?

Capt. Quirk: Just briefly, it is important to differentiate between leases in the port corporations, which are bound by the GOC Act, and leases in the crown boat harbours, which are managed directly by the state government. In those crown boat harbours, of which we have 10, we are working hard to get the balance between facilitating industry, particularly community groups, and providing an adequate return to maintain those boat harbours. We are working with tenants in Manly and Scarborough now on issues which perhaps came across to us from the sale of the Port of Brisbane Corporation.

Mr WALLACE: I just want to go back to that Moreton Bay Trailer Boat Club because the question came from the member for Cleveland. They currently owe the department \$1.4 million for dredging, plus about \$300,000 in unpaid rent for the club site. We still meet with them seeking a payment proposal from them, and we will continue to do that. The dredging debt relates to the development of the club's new marina, and the costs were borne by the Brisbane Port and then transferred to my department. We will work very closely with them. We work with many sectors, many lessees in our ports and harbours across the state—local air sea rescue organisations, sea scouts, et cetera. We have a good relationship with them and we make that offer to the Moreton Bay Trailer Boat Club to continue working with them to ensure they have a long future there.

Dr ROBINSON: Just to follow up to the minister there on the Moreton Bay Trailer Boat Club: so you are chasing them for what you said was \$1.3 million of dredging—

Mr WALLACE: No.

Dr ROBINSON: Could you repeat those figures, my apologies.

Mr WALLACE: We have met with them many times and are seeking to work out a repayment mechanism with them. They currently owe about \$1.4 million for dredging and \$300,000 in unpaid rent. We will work closely with them on repayment proposals.

Many community organisations that I belong to and that I speak to have similar agreements with governments—that is, governments fund these works and they are repaid over time. We will continue to work with them and have those payments made over time. It is something we do right across the state. Community organisations play a vital role in Queensland, and the Moreton Bay Trailer Boat Club, I dare say, plays a vital role for boaties in the Moreton Bay area. It is good news that we will work with them to get a better facility for all those people who use it. We will continue to do that. In fact, I might go and have a look at that another day and go out for a run from there and have a look at that wonderful Moreton Bay and try to catch a couple of snapper.

Dr ROBINSON: I take on face value the commitment of the minister to treat them fairly and harshly, and I will be watching that very closely hoping that is the case—

Mr WALLACE: Not harshly; squarely, fairly.

Dr ROBINSON: That you are not going to hunt them down.

Mr WALLACE: We do not hunt anyone down.

Dr ROBINSON: It is actually just a small working class trailer boat club—

Mr WALLACE: Absolutely.

Dr ROBINSON: While it is not in my electorate, I have certainly supported them so I trust they will be treated fairly as one of the little guys. I have to say that so many of these little guys have come to me and said, 'We're getting beaten up by this government because they are excessively charging us.' I trust you will respond to that in the future.

CHAIR: Is that the question? We will look after little guys right across the state. We will look after the little guys—

Dr ROBINSON: Well, they are crying foul.

Mr WALLACE: Whether it is the fishing clubs, boating clubs—

Dr ROBINSON: Everywhere, they are saying you are not doing that, they are saying that they are going broke.

Mr WALLACE: We will look after the good guy right across the state. That is what Labor is about: looking after the—

CHAIR: I think it is probably best—

Mr WALLACE: I thought that was a question. It was a statement, not a question. Okay.

CHAIR: It might be best if we move on. Minister, I do not think it is a surprise that the member for Redcliffe has some questions for you.

Ms van LITSENBURG: We were very lucky in Redcliffe that we did not get impacted greatly in the floods in January, but Moreton Bay did receive all of the articles that came down all of the rivers. How were you able to get the marine hazards out of the shipping lanes so quickly after the floods?

Mr WALLACE: I do not think any of us would forget that tidal wave, if you like, of debris that came down the Brisbane River. I stayed in Brisbane for the flood to work very closely with my department. I stayed at Parliament House where we have our accommodation, and I could see from my balcony the

debris—the boats, the jet skis, the facilities for landing boats on the Brisbane River—that flowed down there. They were substantial hazards in our shipping channels so it was vital that we went out as quickly as possible, that we cleared our shipping lanes to enable that very busy port of Brisbane to open up as quickly as possible. We also did it to keep recreational and commercial fishers safe, the people using our waterways.

We were able to respond so swiftly to the floods because the department practises a comprehensive all-hazards approach to emergency management. This collaborative approach of addressing emergent situations supports a whole-of-government arrangement for emergency management. The guiding principles of prevention, preparedness, response and recovery that are employed for a range of threats and specific scenarios were readily transferrable to our management of the many hazards to shipping that resulted from this extreme event.

Maritime Safety Queensland, which is an agency of my department, was the responsible agency for coordinating the removal of navigational hazards and reopening the Brisbane River and the port of Brisbane shipping channels. The department planned and conducted its emergency response and recovery activities in close collaboration with the Brisbane District Disaster Management Group.

We took preventive action prior to the height of the flood during Monday, 10 January, and Tuesday, 11 January, to ensure the risk posed to ships in the port was limited. A staged closure and evacuation was enacted to allow for the safe and early evacuation of all major trading ships from berth within the port. CityCats and commercial ships that could be evacuated were allowed to relocate to safe havens further downstream. For those ships that could not be safely relocated—such as *The Island* and the Moggill ferry—officers from my department ensured that the ships were firmly secured to the shores at their base locations. Indeed, we had people on there at all times of the night, including Captain Quirk, to ensure the safety of that waterway. General safety messages were broadcast by our VTS system on VHF marine channels warning all shipping of strong currents and hazards in the river.

During the height of the devastating flood, departmental officers coordinated the collection and recovery of navigational hazards, such as pontoons, the New Farm floating walkway and many drifting boats that floated down the Brisbane River. Aerial reconnaissance identified the extent and location of the floating hazards and debris. Reopening the port of Brisbane to shipping was given the highest priority.

Seven specialist contractors were engaged between 14 January and 12 February to work alongside Maritime Services Queensland personnel and the Port of Brisbane recovery operations. Around 400 pontoons and 60 vessels broke free during the flooding and were recovered. In addition, about 8,500 cubic metres of general debris was collected on the shoreline. In terms of the shoreline—we all saw the photos of the flooding—that had all of that debris, there was about 8,500 cubic metres, which is a lot. We carried out an extensive program of hydrographic surveys. We had ships and we used the Royal Australian Navy to put sonar into the channels to detect the debris and hazards and removed them to get that channel open. As a result, we resumed restricted movements in the shipping channel on 16 January. We gave priority of course to tanker movements supplying the oil refineries to keep our fuel situation in Queensland stable. Marine officers concurrently undertook an accelerated program of repair and replacement of flood damaged navigational aids.

By 21 January the port returned to normal operating procedures on restricted tidal movements to allow those large trading vessels to come in—that is, on high tide we allowed them to come in and go out. The Port of Brisbane dredged river channels and have since undergone a major dredging program to remove about one million cubic metres of silt which flowed down the river. A million cubic metres of silt flowed down the river. That is why, as we all saw, it was so brown at the time and so dirty—a million cubic metres of silt. The Fisherman Island approach channel has now isolated controlling depths of 13.3 metres and the channels upstream from Fisherman Island to Hamilton Reach of 8.9 metres. We are confident that by the end of this month the design depths across the channels in and out of the Brisbane River will reach their designed levels.

Ms van LITSENBURG: Thank you. In light of your recent portfolio changes, what measures have you introduced to ensure efficiencies in the areas of marine infrastructure and fisheries?

Mr WALLACE: I thank the member for Redcliffe for her question. I have been out across Queensland going to our various MSQ bases. We were in Cairns the other week—the director-general and I and Captain Quirk. In that base in Cairns, as with many of our bases across the Queensland coast, Maritime Services Queensland work very closely with the Fisheries and patrol officers at those bases. What I have said to Captain Quirk and to my Fisheries people is, 'Let's start conversations on where we can get better value for money through our joint patrols.' We currently carry out a number of joint patrols with Fisheries officers to make sure that we are getting value for money out there and increasing patrols on the waterways. The thing we want, member for Redcliffe, is not only protecting our valuable fish and crab stocks across Queensland but keeping boaties safe, and that is a primary role of Maritime Services Queensland—to keep boaties safe. Captain Quirk has been out talking to his people and they share a lot of those facilities across the state not only with Boating and Fisheries but with

Water Police and other agencies as well. So that is a big step forward. This year there will be a lot more patrols on the water as a result of that working together. Captain Quirk, do you wish to comment on some of those joint patrols about what we do on the waterways themselves?

Capt. Quirk: Yes. We call it cross-decking in that instead of taking three boats out we take one boat out with Maritime Safety Queensland personnel, Fisheries personnel and the Queensland Police Service so we can cover all of the enforcement activities from one boat. It gives a strong message to the boating community that we are out there as one government—that is, as a number of agencies protecting life and the environment. With regard to infrastructure, a number of our boat ramps impinge on Fisheries protection areas. By working with Fisheries much more closely, we are resolving issues before they become problems for us and we are actually achieving some good results there.

Ms van LITSENBURG: In the last two years the Queensland government has built a lot of boat ramps right across the coast. What has been the total cost of this and how much over and above the licence fees have these facilities cost?

Mr WALLACE: I thank the member for Redcliffe for her question. I am a great believer in boat ramps. It is easier to get boats into and out of water. I remember as a kid my dad taking me down to the landing at Wallace's Creek in Home Hill, named after my great-grandfather. So I am a great believer in more boat ramps across Queensland. It is a good question to ask about our expenditure, which has been very good. In 2009-10 we collected about \$24.6 million in recreational boat registration fees and expended \$26.9 million on that infrastructure. So we are spending more on our boat ramps than we collect, which is good. In 2010 we increased our spending even further, collecting \$25.5 million in recreational boating registration fees and spent \$30.7 million. That is good news for boaties across the state, so you can be sure that the money you are putting into your boat registration comes back in the form of ramps and comes back in the form of facilities for boaties across the state. That program involves funding construction of new infrastructure and the maintenance of existing facilities, including navigation channels. Local councils and residents have benefited from new and upgraded boat ramps, pontoons, floating walkways and deeper channel depths provided through dredging programs at state boat harbours and major recreational sites. Expenditure to benefit all boaties included improved aids for navigation, education projects and pollution response training.

It is estimated, member for Redcliffe—and you will be interested in this—that the department will again spend significantly more than our registration fees this financial year. Revenue collected from recreational boats this year will be about \$26.3 million, but we will spend way more than that on facilities in the state. What are some of those? There are several components. With regard to new and upgraded recreational boating infrastructure, it was \$7.1 million in 2009 and \$11.6 million in 2010 and \$14.5 million this financial year. So that is a big increase for boating infrastructure. Boating services will be about \$11.3 million this year. Dredging will go up from \$3.1 million in 2009 to \$9.5 million this year. Indeed, we were in Cooktown the other week talking to the council there. They have asked us to look at some dredging in Cooktown. We formed a committee and we are working very closely with that council and Jason O'Brien, the local member—a great advocate—to see whether we can do some more dredging work in Cooktown in that regard.

In total the expenditure on recreational boating infrastructure was \$26.9 million in 2009-10. That has increased to \$39.6 million for 2011-12, so nearly a \$10 million increase. That is good news. Everyone with a boat licence would know that we have a good deal in Queensland: we have a lifetime boat licence. I got mine when I was 16; I still have it of course. A boatie will pay \$68.50 in Queensland for their licence. However, many of the states have yearly licences. Boaties pay \$51.50 in New South Wales every year and in Victoria \$29.20 every year. So we have a good record here in Queensland of putting our money from registrations and licences back into better facilities for boaties.

Ms van LITSENBURG: How have these facilities value added to local governments' facilities up and down the Queensland coast?

Mr WALLACE: We work very closely with local governments on our recreational boating facilities. The agreements we have with local governments generally are that we, the state government, through MSQ provide the ramps which go in and councils provide the parking and the facilities on the land. So, if you like, we do the water part and councils provide the land part which is the parking. One of the examples that I will talk about because it is at the back of my head, member for Redcliffe, is the new Barnacle Street boat ramp in Townsville which opened the other week. We provided the water infrastructure—the ramp and the pontoon—and the council did the parking. That is a big boost for the residents of Townsville to get into and out of that particular ramp. We have a really good relationship with local governments across the state when it comes to providing that infrastructure at a local government level. They know the importance of boaties to their communities. I am keen to see a continuation of that program. As I said, we have a \$10 million increase from two years ago on marine infrastructure. Captain Quirk, did you want to mention our relationship with councils and how we interact with them across the state in providing these facilities?

Capt. Quirk: Yes. It is a very healthy relationship, Minister. There is some robust discussion at times because everyone is trying to manage the best outcome for their budgets, but I think there is a consensus view that the infrastructure we do provide provides material benefit to the recreational boating sector.

Mr WALLACE: Thank you.

Ms van LITSENBURG: Thank you very much.

CHAIR: I call the member for Cleveland.

Dr ROBINSON: I am glad the minister is committed to boat ramps, as he says. I was recently at Rosslyn Bay in Central Queensland looking at a particular boat ramp—one that takes up to an hour and half to get a boat on the water. I would have to say that the local fishermen are very angry that the government has fallen behind in providing adequate boating facilities in the Rosslyn Bay and broader Keppel area. My question to the minister is: does the minister think it is acceptable for boaties to wait an hour and a half to put their boat on the water or to take their boat off the water? Does the minister not agree that they are failing the recreational fishers and boaties of Central Queensland?

Mr WALLACE: We have \$1.5 million approved for dredging at the entrance to that channel—Rosslyn Bay—this year. That is good news for the people who use that facility. It helps them to get on the water because they can get through the entrance to the boat harbour. That is really important as far as I see. We have also been working with the Rockhampton Regional Council on facilities there, so that is good news for people who use it.

Dr ROBINSON: So an hour and a half is fine, is it, Minister?

CHAIR: Member for Cleveland, we have been through this before. Please let the minister answer. Minister.

Mr WALLACE: Thank you, Mr Chair. We have been working very closely with the Rockhampton city council on that particular project. I want to thank the member for Keppel, Paul Hoolihan, who has spoken to me personally about it. He knows that that boat ramp, along with many others in the state, experience substantial demand when it is fine weather. When mackerel are running up and down the Queensland coast, boaties get out. We are looking at that and we are master planning that at the moment. Do you want to update the committee on what we are doing at Rosslyn Bay, Captain Quirk, because it is very busy there?

Capt. Quirk: Thanks, Minister. There is a recognised issue there at peak periods. As a general concept, we cannot always design it for peak; we need to design below peak. At Easter periods and those fine weekends we are having now, we admit there is a queuing issue.

Dr ROBINSON: I appreciate your honesty, Patrick.

Capt. Quirk: I am always honest. The topography of the coast is not favourable to development of boat ramps. We have a proposed site at Emu Bay south of Rosslyn Bay, but it is a long stretch out to low water and then it drops off.

Dr ROBINSON: Is that Emu Park?

Capt. Quirk: Emu Park, yes. We are working through a future 10-year demand study which is coming to a conclusion very soon. We have it out into the marketplace now—the minister released it about two months ago—where we are scoping what we need for the next five or 10 years. Rosslyn Bay and the Rockhampton area are certainly a key focus of that study, and that study should be finalised in the next four to six weeks.

Mr WALLACE: That study looks at things like additional parking, because, as I said, during peak times it can be difficult to get a park. Two floating walkways will improve unloading and loading of vessels. The second one actually opened in January this year, so we have been busy at Rosslyn Bay putting in new infrastructure for boaties. Those floating walkways are a fairly new initiative. Once you launch your boat, they allow boaties to then go up to the walkway to load and unload. Therefore, they are not taking up valuable time on the ramp itself getting the boat in the water and putting the gear into the boat and then when you get back taking the gear out. Conscientious boaties always take their boat out and pull up to the floating walkway to load and unload their boat to allow other people access to the ramp itself. We are also looking at facilities at Rosslyn Bay to improve disabled access. I think it is so important to assist with disabled access. We have a big project in terms of marine infrastructure not only at Rosslyn Bay this year but if I can talk about some others.

CHAIR: Briefly, Minister.

Mr WALLACE: There are too many. I could list them for a long time. Some of the ones that I want to point out might not necessarily be on the coastline—a place like Birdsville. You might think, 'Why do they need this sort of infrastructure?' But at Birdsville we are putting a new pontoon into that billabong. The people of Western Queensland deserve the same infrastructure for their water facilities that we on the coast sometimes take for granted.

CHAIR: Member for Cleveland, one last question.

Dr ROBINSON: I have a question about the new ship tracking system, and if I could perhaps direct that to Patrick Quirk.

CHAIR: Sorry, but you are entitled to ask the director-general or the minister.

Dr ROBINSON: My apologies.

CHAIR: The minister might want to refer it to Captain Quirk, but you choose.

Mr Stewart: I am also happy to answer the question.

Dr ROBINSON: Okay. That is fine. Can you comment on the number of incidents or reports of ships rat-running the Great Barrier Reef for the period 2009-10 and 2010-11 and whether there has been any increase over that period of time?.

Mr Stewart: I think it is a long straw to talk about ships rat-running in the Barrier Reef. I think one of the most amazing pieces of work that has been done most recently is the extension of the REEFVTS. The REEFVTS facility, which now tracks across the whole Barrier Reef, is a high-quality facility. We are certainly seeing increases in ship movements, but can I say that those ship movements are now happening in a much safer environment. With the rollout of REEFVTS across the Barrier Reef we now know where every ship is, where it is moving, where it is tracking.

Mr WALLACE: And the Torres Strait.

Mr Stewart: That includes the Torres Strait. Again, as the minister said earlier, we went to Townsville two weeks ago to launch the extension of REEFVTS. Those of us who were physically involved in the *Shen Neng 1* incident take this issue of maritime safety very seriously. Our response, I believe, was first class, but we now have a tool—a system—to really make sure that we continue to make sure that ships move very safely.

You have heard from the ports CEOs, or you have read in the budget papers that we are going to see significant growth in ship movements. We also have very skilled pilots inshore to move those ships safely into port. But the REEFVTS and the extension of the REEFVTS I think is a fundamental tool to make sure that our reef is safer. The minister might want to refer the question to Patrick Quirk specifically on numbers of ship movements.

CHAIR: Unfortunately, we have run out of time.

Mr Stewart: Ship movements happen all over the place.

Dr ROBINSON: Is that an increase or a decrease?

Mr Stewart: I do not understand the premise of rat-running.

Dr ROBINSON: Of rat-running incidence is my question—cutting through the Barrier Reef on non-scheduled channels.

CHAIR: Sorry, but we have run out of time. The time allocated for the consideration of the proposed expenditure for the organisational unit of Marine Infrastructure within the portfolio of the Minister for Main Roads, Fisheries and Marine Infrastructure has expired. Thank you, Minister, officers of the department and related entities for your presence here today.

The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 9 am Monday, 18 July. The transcript of the hearing will be available on the Hansard page of the parliament's website within approximately 1½ hours.

The next item for consideration is the proposed expenditure for the organisational unit of the Building Industry within the portfolio of the Minister for Government Services, Building Industry and Information and Communication Technology.

Mr WALLACE: Can I make a very short statement?

CHAIR: Very brief.

Mr WALLACE: I thank members of the committee for your attendance and hearing this morning. I greatly enjoyed it. I also want to thank my staff and my departmental officials. We showed that we can respond to the floods. We showed that we do really good work across the state.

CHAIR: Thank you, Minister. The committee has run slightly over time and we have to change over staff for the Minister for Government Services, Building Industry and Information and Communication Technology so we will commence at 12.20 pm and the consideration of those appropriations will continue to 1.05 pm. Thank you, Minister.

Proceedings suspended from 12.17 pm to 12.21 pm

ESTIMATES—TRANSPORT, LOCAL GOVERNMENT AND INFRASTRUCTURE COMMITTEE—BUILDING INDUSTRY

In Attendance

Hon. SD Finn, Minister for Government Services, Building Industry and Information and Communication Technology

Mr M Daniel, Principal Adviser

Department of Public Works


Ms N MacDonald, Director-General

Ms S Nichols, Principal Adviser, Executive Services Unit

Ms M Ambachtsheer, Ministerial Liaison Officer

Building Services Authority

Mr I Jennings, General Manager

 **CHAIR:** The estimates committee hearing of the Transport, Local Government and Infrastructure Committee is now resumed. On behalf of the committee I would like to welcome to the hearing the minister, officers of the department, the Building Services Authority and members of the public. My name is Evan Moorhead. I am the member for Waterford and chair of the committee. Mr David Gibson, the member for Gympie, is the deputy chair. The other committee members are Scott Emerson, the member for Indooroopilly; Mary-Anne O'Neill, the member for Kallangur; Mark Robinson, the member for Cleveland; and Lillian van Litsenburg, the member for Redcliffe. We are also joined this afternoon by the member for Mudgeeraba, Ros Bates.

The committee will now examine the Appropriation Bill 2011 and the estimates for the organisational unit of the Building Industry within the portfolio of the Minister for Government Services, Building Industry and Information and Communication Technology. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland Parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules to the extent that they apply to estimates proceedings. Before we begin, can I ask that mobile phones or pagers be switched off. Also, I should remind you that food and drink is not permitted in the chamber.

Changes to the standing orders and rules of the Legislative Assembly have removed the strict time limits for questions and answers during an estimates hearing. This will ensure that the exploration of relevant issues is not artificially curtailed by time limits and that questions on a particular issue can continue, if appropriate. However, it is important that questions and answers remain relevant and succinct. I intend to guide proceedings today so that relevant issues can be explored without imposing those artificial time limits and to ensure that there is adequate opportunity to address questions from government and non-government members of the committee. Where necessary, I will remind ministers and the departmental advisers that their answer to a question should be finalised so that other issues can be examined.

For the benefit of Hansard, I ask departmental officers, if you are called to give an answer, to please state your name before speaking. I now declare the proposed expenditure for the organisational unit of the Building Industry within the portfolio of the Minister for Government Services, Building Industry and Information and Communication Technology open for examination. The time allocated is 45 minutes and will conclude at 1.05 pm. The question before the committee is—

That the proposed expenditure agreed to.

The first question is from the member for Kallangur.

Ms O'NEILL: Minister, every day I drive through areas in my electorate like Narangba and Dakabin and I see Queenslanders and some southerners like me making the wise choice to build a new home in the Kallangur electorate. How do the appropriations being considered by the committee protect Queensland home buyers and people who rely on the building industry for a job?

Mr FINN: I thank the member for Kallangur for that opening question. I might make some general remarks in beginning my response to that question. Today, we examine the appropriation in relation to the building industry. Queensland's building industry is crucial to the state's economic wellbeing. The building industry is worth \$45 billion a year to the state's economy and, in accordance with your question, it is also a major source of jobs for Queenslanders. Some 220,000 people are employed in the building industry in Queensland.

The building industry is still feeling the effects of the global financial crisis, natural disasters and tougher lending criteria. We recognise that this is a challenging period for the building industry, which is why we are doing all that we can as a government to support local builders. In April, the government hosted a Building Revival Forum, attended by all levels of government along with representatives of the property and building industries. At this revival forum infrastructure caps were announced and stimulus opportunities were identified. This budget takes those ideas that were identified at the revival forum even further.

Recently, we delivered a KPMG report on the Building Services Authority. In Queensland, the BSA is an independent watchdog that acts without fear or favour to regulate the building industry and to protect consumers. An independent review undertaken by KPMG found that the BSA plays an effective role as the Queensland building industry regulator and consumer protection advocate. The review, however, did make a number of recommendations and these go to the role of the BSA. We will consider these recommendations in detail.

One of the most important recommendations, however, is a proposed establishment of a new triage mediation process—a reform that would mean better outcomes for all stakeholders, particularly consumers, and I am keen to see this implemented. Other recommendations include the creation of one mandatory uniform contract for domestic building work. The review also recommends improving the BSA website, making better use of technology to communicate with and educate consumers.

The BSA statutory home warranty insurance scheme is among the best of its type in Australia. This has been recognised by *Choice* magazine. In the 2010-11 financial year, the BSA processed 2,915 claim approvals—or 80 per cent of applications—totalling \$39.17 million for incomplete, defective or subsidence affected work. The BSA also helps to protect consumers by conducting audits of building sites throughout Queensland. Right now, BSA inspectors are out in force on building sites in South-East Queensland targeting shonks and unlicensed contractors trying to cash in on flood reconstruction work.

I am pleased today to make an announcement regarding the Community Memorials Restoration Program. Today I announce a new round of \$500,000 in funding for community memorials restoration. Communities across Queensland can apply for a share of this funding to preserve their unique and rich historical markers for future generations. Priority will be given to those memorials that were damaged in floods and cyclones. The state government will provide dollar-for-dollar grants of up to \$25,000 to local councils and other organisations for restoration works, with grants of up to \$15,000 also available for cemetery related projects. Since 2004, this program has delivered over \$3 million in improvements to almost 300 statues, cenotaphs, honour rolls, gardens, fountains and memorial gates and has helped to digitise historical cemetery records. I will be urging all MPs to encourage local councils to apply for a grant from the rollout of this program. In conclusion, the Bligh government will continue to work closely with building industry leaders, peak bodies and stakeholders to further strengthen this crucial sector of the Queensland economy.

Ms BATES: My first question is: are you satisfied with the dispute resolution process?

CHAIR: Sorry, we will have to delay the hearing for a moment because we do not have a quorum.

(Quorum formed at 12.28 pm)

CHAIR: Thank you, member for Mudgeeraba.

Ms BATES: I will ask that question again. Are you satisfied with the dispute resolution process? What specific measures are included in the budget to improve the situation for homeowners?

Mr FINN: I thank the member for the question. I take it she is referring to the BSA in terms of dispute resolution?

Ms BATES: Yes.

Mr FINN: Indeed. The BSA has a dispute resolution process that is accessed by a large number of people in Queensland every year. That process is undertaken in a way that I am satisfied with, but I do not just rely on my own assessment of that. As I mentioned, we recently released the KPMG report—an independent report—on the activities of the BSA. That report supported the activities of the BSA. I might just comment—

This Organisation—

this is straight from that report—

Review identified that the BSA plays an effective role as building industry regulator and consumer protection advocate.

I support that independent finding of this report, but I should also in relation to the disputes process just draw your attention to this paragraph, which I think encapsulates pretty well the environment out there in the building industry—

Through the consultation process, KPMG observed that consumers expect the BSA to support them when disputes occur and, from a contractor's perspective, they seek balance and fairness between their rights and that of the homeowner.

I am satisfied that the BSA plays a key role in finding that balance.

Ms BATES: What specific measures are outlined in the budget to enable this to happen?

Mr FINN: The budget supports the activities of the BSA. The budget references the BSA in the SDS but, as you know, the authority funds itself. There are a number of ways in which the budget supports the BSA, obviously. But what is most important is that by ensuring that the BSA operates we enable them to undertake the work that has come through the review of the KPMG report. The budget going forward in support of the BSA will be about supporting some aspects of that review.

Ms BATES: I realise you are not the Attorney-General, but as minister responsible for the BSA, do you believe that the QCAT system has lived up to its expectations for homeowners?

Mr FINN: I think that you identify correctly that QCAT is the responsibility of the Attorney-General. I know what you are getting at and I am happy to make some comments in relation to dispute resolution as it might come to QCAT. There is a critical recommendation in this report and that recommendation relates to, as I mentioned in my opening remarks, a proposed triaging of the mediation process. I should say at the outset, as I get into talking about the KPMG report that this report was released two weeks ago by the board after the board considered the recommendations. Obviously government has to consider them and work out a government response to them. The recommendations do require legislative change, some financial considerations and so on and so we as a government need to work through those recommendations, but the one that I highlighted was the process of triaging mediation.

Ms BATES: That is a recommendation from KPMG as a quick fix with very little cost involved?

Mr FINN: I do not think it was a recommendation for a quick fix. What it was was a recommendation that attempts to reduce the load that ends up being considered by QCAT, going back to your question which is about QCAT. The connection with that recommendation is this: one of the issues that we face in the BSA is that a consumer will come to the BSA with an issue regarding a defect in building work and the builder will then lodge the matter with QCAT. Once it is lodged with QCAT it is then out of the BSA's hands in terms of mediation because effectively it is before a court. That court then considers the matter and the BSA does not have any involvement. That court will make a ruling and then the BSA cannot go and mediate a process.

The recommendation of the KPMG report is targeted at addressing that issue of QCAT and saying whether we can triage mediation, require that when a complaint is made to the BSA a builder is required to go through a mediation process before they go to QCAT, then we will reduce those demands on QCAT and we will be a lot more flexible in mediating it. That is a good consumer outcome and something that the board supports, something I am keen to progress. I should finally make this one single point: QCAT were consulted by KPMG and in one of the key dot points it reported—

BSA Professional in its dealings and discharging its responsibilities—In QCAT's experience the BSA is professional. They are well prepared for QCAT matters with well-considered and comprehensive submissions. BSA internal lawyers remain focused on the key issues. Overall the BSA does a good job at discharging its responsibilities.

Ms BATES: Do you agree with the former Attorney-General who said in a media release when launching QCAT back in 2009 that this process would lead to easier resolution outcomes for homeowners?

CHAIR: I should give some guidance. Your role is not to comment on the operation of QCAT but obviously to consider the operation of matters being referred to QCAT from legislation under your jurisdiction.

Mr FINN: I understand that. I think the question is actually asking me for an opinion and I am here to examine the appropriation in the BSA.

Ms BATES: You actually did give an opinion when you voted for the QCAT resolutions just like the opposition did. My question is do you believe that since QCAT has commenced and a lot of those BSA complaints go there has it caused an easier resolution for homeowners?

Mr FINN: The KPMG report makes it very clear that the reason that we would support a triaging process and a new mediation process is so we can reduce the need for consumers within the building industry to go to QCAT. I think that recommendation in itself says that if we can mediate outcomes we can perhaps get a more flexible and faster outcome.

Ms BATES: What have you done to stop the increasing practice of building contractors circumventing BSA actions by initiating a proceeding in QCAT concurrent to BSA investigating complaints, meaning basically that the BSA is unable to progress any complaints relating to defective work?

Mr FINN: When a builder decides to lodge a matter with QCAT they are effectively exercising their right to take it to a court. Section 83 of the BSA act says that once a matter is before QCAT it is no longer a matter for the BSA.

Ms BATES: You admit that there is a loophole there for contractors to actually circumvent the BSA and go straight to QCAT?

Mr FINN: Loophole is your word. It is actually a legal right for people to have their day in court and that works across the community.

Ms BATES: But do you think that is actually making it easier for homeowners?

CHAIR: Let the minister finish answering your first question and then we will come back to your second question.

Mr FINN: That is a matter in all sections of government. What we are trying to do, and what KPMG attempted to do in its report, is to recommend a way forward so that we can best mediate outcomes of disputes. I should say this: there are a large number of building contracts signed and exercised at any given point in time in Queensland. The building industry is a large part of our economy. There are a lot of people engaged in building contracts. The vast majority of contracts reach their conclusion without dispute. Of those that become matters for dispute, the KPMG report indicates that 91 per cent are resolved to satisfaction. What we find is a small number are not. What the KPMG report recommends government attempt to do is determine a mediation process that allows a flexible outcome for those people.

Ms BATES: The KPMG recommendations basically outlined that there was an increase in numbers of contractors who are actually circumventing this process, effectively causing a loophole. Can you point to where in the budget there is actually funding?

Mr FINN: Sorry? I have the recommendations in front of me so if you could mention which one.

Ms BATES: One of the recommendations was a quick fix basically, which you were talking about—the triaging. Can you show me where in the budget it actually allocates additional funding for any of the KPMG recommendations?

Mr FINN: The KPMG report, as mentioned, was released onto the website, made public, two weeks ago following a decision by the board in June to release the report. As you would understand, this budget was brought down in June so this budget is not going to include specific measures to fund recommendations in a report that was released post the budget. When you look at the KPMG report and the recommendations that you refer to, they recommend time frames for implementation of those recommendations. These are KPMG recommended time frames not government recommended time frames, not decisions made in accordance with the budget process or political decisions. KPMG independently recommended time frames. Clearly, those time frames look at budgetary requirements over a period between zero to 18 months plus. You will acknowledge that the triage mediation ones are not at the front end of that because they require legislative change. That is why I cannot point you to a specific figure in a budget that funds recommendations of a report that was released post the budget.

Ms BATES: This loophole is actually a deliberate practice which is causing disputes to be protracted and adding substantial costs onto consumers who are forced to pay for additional expert advice from their own building inspectors. What I am saying is that contractors are circumventing the BSA, which has a wonderful reputation, and going straight to QCAT, which leaves the homeowner out of pocket because by the time it gets to QCAT, when it could have been resolved at BSA level—and I am well aware that the BSA makes every effort to do that—it is actually costing the homeowner more money because they are having to contract additional expert advice in terms of their own building inspectors to cope with what you are saying should be triaged at BSA level.

Mr FINN: Yes, absolutely, I agree with that and I agree that the BSA does do great work in this and I agree that the best protection for consumers is through the BSA. I agree that accessing the BSA mediation process will be a more affordable mediation process for consumers. However, as I said, the current circumstances arise where builders are able to have the matter adjudicated by QCAT. They have the right to do that. I think that clearly I will need to, and Ian Jennings as the general manager of the BSA, work very closely with the industry to work out how we ensure that we balance the rights of the builder, who is in many cases a small businessperson, with the rights of the consumer. We will need to do that. But I agree the best outcome for consumers is a mediated outcome through the BSA. That is the role and function and core activity of the BSA.

Ms BATES: I appreciate that, but what have you done to stop the cynical practice and close this loophole which is hurting homeowners and clogging up QCAT? We have just discussed that there is a problem, that some contractors do go to QCAT to circumvent the BSA and it is hurting homeowners and clogging up QCAT. I understand that you are working on the recommendations of KPMG, but that is in the never-never because you have got quite some time to implement them and there does not seem to be any funding in the budget for them. So in the interim, as the champion of homeowners, what have you and your department done to stop the clogging up of QCAT?

Mr FINN: There is a lot of rhetoric and commentary in that question.

Ms BATES: I was trying to make it easier, Minister.

CHAIR: Minister, we will deal with the question rather than the rhetoric and the commentary.

Mr FINN: Excellent. As a minister, I will allow natural justice to occur. As a minister, I will allow people their legal rights. I did not initiate this report. It was initiated before I became the minister. However, I am delighted to receive the report. The requirement in the report that people undertake a mediation process prior to accessing the courts requires legislative change.

Ms BATES: I agree with the minister.

Mr FINN: I have said quite clearly, in my opening response to the first question, that I support that recommendation. The report has been released for two weeks.

Ms BATES: It would be nice though, Minister, if homeowners had a time line on this. I understand your comment before. Minister, according to my figures the QCAT case load has ballooned out to a 60 per cent increase from the original projected estimations given over 18 months ago. Can you confirm that most of these unanticipated cases are building related disputes?

Mr FINN: I am not provided with advice on the makeup of QCAT cases. QCAT is not a tribunal of the Department of Public Works.

Ms BATES: Maybe I could ask Mr Jennings the same question?

Mr FINN: Yes. I am not going to say no to that, but I will say that Mr Jennings can comment on his knowledge of QCAT, but we need to understand that—

Ms BATES: That is fine.

CHAIR: If I can clarify the matter, what Mr Jennings can comment on is his knowledge of matters going from the BSA to QCAT. He cannot comment on what is in QCAT, because that is not his job.

Ms BATES: Sure, I understand that. Thank you, Mr Chair, for clarifying that. Mr Jennings, my understanding from figures that I have received is that there has been a 60 per cent increase in cases that would normally have been mediated at BSA level which have now gone to QCAT. I am sure you would know what the figures were prior to QCAT and what they are now.

Mr Jennings: I am unable to comment on QCAT. I can comment on our disputes and our levels with regard to the numbers that are probably on hold due to the fact, as the minister talked about, of natural justice and people using the system to get a resolution through the court. In the last financial year the BSA received about 5,600 disputes to resolve. A large majority of those disputes were resolved through our mediation service, whether it be through the telephone, through my officers resolving it, through a building inspection report or through our system of providing a request to rectify or a direction. A large majority were solved that way. There are some disputes that ultimately do result in reviews, from contractors. Also the consumer has a right of natural justice to review them. Once that occurs, it is under the jurisdiction of QCAT. Currently, because people are before the courts, about 124 matters are on hold. That is over a period. It might not be in the past 12 months; it might be over the past two years, because of reviews. They may have a building dispute being reviewed or a decision of ours which is under review, and the matter has stopped.

Ms BATES: Minister, would you take that question on notice—that is, the number of disputes for this past financial year that have gone from the BSA to QCAT in relation to the past three financial years?

CHAIR: Member for Mudgeeraba, you can ask either Mr Jennings or the minister the question, and if they cannot answer it they can choose to take it on notice.

Ms BATES: I just asked the question and he was not able to provide those numbers, so I am asking if it could go on notice.

Mr FINN: You are seeking the number of matters that are referred to QCAT from the BSA?

Ms BATES: Yes, from this financial year and the past two financial years.

CHAIR: You have to ask the question, first. Mr Jennings, can you answer that question?

Mr FINN: Are you able to provide it now?

Mr Jennings: They are not us; they are reviews of our decisions or maybe a builder has taken the owner to QCAT. I am unaware of where a builder has taken a decision of an owner such as an invalid termination of a contract to QCAT. That is a building dispute. I am unaware of those numbers. Basing them back two financial years, it all depends when the dispute occurred. It may be difficult to give you information across financial years. I can give you the total numbers, which I just did, of the matters on hold. Being able to put that across financial years, based upon the dispute when it came to us, may be difficult.

Ms BATES: I understand that, thank you very much.

CHAIR: Minister, it is up to you whether you would like to take it on notice.

Mr FINN: I think the question was answered.

Ms BATES: It is fine, Minister, thank you. I will move on. I refer to advance question on notice No. 1 which reveals a staggering 15.4 per cent increase in average dispute processing times over the past year, which means it is taking an extra 16 days, or 122 days in total. Is any of this attributable to the problems with the QCAT system or do you still maintain that the rain is to blame? That is in relation to your response to question on notice No. 1.

Mr FINN: I think you refer to the records that show an increase in dispute figures between 2009-10 to 2010-11.

Ms BATES: Yes.

Mr FINN: I thank you for that question. When non-government members submitted this question and this table was produced, I asked the same question. There have been significant impacts from the global financial crisis on disputes. Mr Jennings may choose to comment on this in more detail than myself, having been in that for a longer period. Where we have peak activity and we have a strong economy and lots of activity, there is more work. The more contracts that are signed, obviously the more defective work and the more disputes that occur. That is a naturally occurring statistic. What happens during good times is that it is relatively easy to get a builder to go back and fix work. When good times are followed by a GFC, it is more difficult for builders to get back and do work, and obviously there are added costs in fixing up defective work. When you have a lot of work, the hardest thing is finding the time to get back to fix the problem. When times are tough, it is hard to find the cost to enable you to get back and, therefore, the level of disputation rises. That is a naturally occurring phenomenon, is the advice I was provided with.

Ms BATES: Mr Chair, I have a supplementary question on that same question on notice. If I could continue in this vein—

CHAIR: Member for Mudgeeraba, you have had a very fair shake of this. I will ask the member for Redcliffe to ask a question.

Ms BATES: I am sorry, Mr Chair, but the minister is here to answer the questions. I have a supplementary question on this question on notice that he has provided advice on. If the minister is happy for me to continue, I have a supplementary question on his response to the question on notice.

CHAIR: Member for Mudgeeraba, this is a 45-minute session.

Ms BATES: I do understand that.

CHAIR: There were five minutes worth of introductions. Since you have started questioning, you have had 26 minutes of that time, leaving a very small period of about 12 or 13 minutes for government members.

Ms BATES: Can the minister provide the answer on notice?

CHAIR: You can be very quick.

Ms BATES: Thank you. According—

CHAIR: No, you have not asked a question. You can ask a question. You can't just ask for something to be taken on notice. You have to ask a question.

Ms BATES: Thank you very much, Mr Chair. Thank you, Minister, for allowing me to continue. According to the same question on notice, you claim there has been a large number of subsidence claims due to the rain. Can you provide, on notice if needs be, a breakdown of insurance claims showing the number of subsidence claims compared to the previous years?

Mr FINN: A breakdown in insurance claims?

Ms BATES: In your question on notice reply, Minister, you claim—

Mr FINN: I can see that. You will understand that there has been a significant rainfall season, which has led to an increase in the number of subsidence claims—

Ms BATES: So they are—

CHAIR: Member for Mudgeeraba, let the minister—

Ms BATES: I am agreeing with him.

CHAIR: If you let the minister answer, we will get to a conclusion sooner.

Mr FINN: I understood there was a table in here that indicated the increase in subsidence figures.

Mr Jennings: It has not indicated that there is an increase; it has indicated that they are more complex matters and they take longer to monitor, which is why the average processing time takes longer. With subsidence claims, you normally monitor the house for a longer period to make sure it settles before you go in and rectify it. So there is a long period of time for settling.

Ms BATES: I understand that.

Mr Jennings: The home has to settle before you repair it.

Ms BATES: Sure, I understand that, Mr Jennings, but obviously the minister has received advice from somewhere that there is a large number of subsidence claims due to the rain. If you could provide it for me as a question on notice about how many of these claims were due to the rain and an increase in subsidence, or anecdotally maybe—

CHAIR: Member—

Ms BATES: I notice that Mandy McCosker is here, your manager of insurance matters—

CHAIR: You are not expanding the question, member for Mudgeeraba. You have asked the question; now you are asking for it to be taken as a question on notice. The minister can answer the question about the numbers and if he cannot answer the question he can choose to take it on notice.

Ms BATES: I am happy for him to take it on notice.

Mr FINN: Mr Chair, I would like to provide government members with an opportunity to ask their questions.

CHAIR: Yes.

Mr FINN: The member asks for increasing figures on subsidence claims. That figure will be provided, hopefully before the end of the session.

Ms BATES: Will you take it on notice, Minister?

Mr FINN: If I need to. We will see whether we can have it before the end of the session.

CHAIR: Member for Redcliffe.

Ms van LITSENBURG: Minister, what efforts have you made to improve the government's relationship with Queensland's building industry?

Mr FINN: I thank the member for the question. The importance of the building industry to the Queensland economy cannot be underestimated. As I mentioned in my opening remarks, the building industry is worth some \$45 billion a year to the state economy and employs some 220,000 Queenslanders. The Queensland building industry plays a critical role in managing growth throughout our state. It has done that to date and will continue into the future. This industry delivers our infrastructure that supports our growing population needs, whether it is schools, roads, hospital, homes, sporting facilities, ports or rail lines.

When I was appointed to serve as Queensland's first building industry minister in February, I was tasked with working closely with the state's building industry to assist them through some tough economic times and those times that linger following the global financial crisis. The state government's Building Industry Revival Forum in April helped inform a strategy of assistance. This forum made a number of key recommendations about strengthening Queensland's building industry, including the capping of infrastructure charges, which is a move that was welcomed by key industry stakeholders. Another key outcome of the Building Industry Revival Forum, delivered on in this budget, is funding for a major projects office. This will serve as a one-stop shop that works with proponents to guide economically significant projects that fall outside the province of the Coordinator-General or the Urban Land Development Authority.

These measures are in addition to the \$10,000 boost for new Queensland homebuyers announced in this budget. From 1 August until 31 January, anyone buying a new home up to the value of \$600,000 in Queensland will be eligible for a \$10,000 grant, helping to stimulate building activity and encourage more investment. Once again, this important initiative to support the Queensland building industry has been welcomed by key industry stakeholders. I have made some comment today about the KPMG report into the Building Services Authority, which found that the BSA plays an effective role as the Queensland building industry's regulator and consumer protection advocate.

I should also make some comment in relation to the building industry and the feedback that I have received from stakeholders. Over the course of the term of this government, we have taken some very tough economic decisions. They are very tough economic decisions to chart a course through tough economic times. Part of that has been a significant capital expenditure in public infrastructure. Maintaining our capital build and keeping the building and construction industry in work was a central tenet of the past two to three budgets in this state. What the industry says to me is that if it was not for public infrastructure build, many people would have been out of work; many more people over the past few years would have been out of work. Peak industry bodies tell me the state's build, in conjunction with the federal government's BER program, played a significant role in keeping the industry working.

I was very pleased to see the federal government's BER report released earlier this week. There are some significant comments in this report. I want to bring to the committee's attention two comments from this report that reflect on the Department of Public Works and our role in assisting public infrastructure project. The first states—

The cost for NSW Government school projects currently sits 12 per cent above the Victorian Government average cost and 31 per cent above the Queensland Government average cost.

I quote also—

The Taskforce conducted interviews with a wide range of stakeholders including current and former senior public works executives and this together with our research informs our view that today the only government with a full range of public works expertise is Queensland.

This government is committed to assisting the building industry through public infrastructure projects and working closely together with industry leaders to assist the recovery from the lingering global financial crisis and also build essential infrastructure for Queenslanders.

Ms van LITSENBURG: Can the minister advise the committee of any developments with respect to the Office of the Queensland Government Architect?

Mr FINN: I am delighted to respond to that question. I am very pleased to announce the appointment of Malcolm Middleton AOM as the new Queensland Government Architect. Mr Middleton is a highly respected urban designer and architect who brings a wealth of experience to his new role as the Queensland Government Architect. He was appointed to this role by a selection panel following a rigorous recruitment process in which the position was widely advertised. The panel members consisted of representatives including the Deputy Director-General, Works in the Department of Public Works, the former Queensland Government Architect, Cox Rayner Architects and Planners and the immediate past president of the Queensland chapter of the Institute of Architects.

In his role as Queensland Government Architect Mr Middleton will provide high-level advice to the Queensland government on contemporary design and heritage issues. The activities of the office are also focused on assisting Queensland architects in undertaking government work, ensuring that quality is a major focus in government projects, encouraging development of regional design and assisting in implementing government policy in relation to public art in buildings.

Some of the projects undertaken by the office include developing *Design Guidelines for Government Buildings 2010*, coordinating the Brisbane Open House of 2010—a free-of-charge event which provided residents and visitors with the rare opportunity to discover the hidden wealth of architecture, engineering and history within buildings around Brisbane city—and also undertaking a key role in the recently released storm tide guidelines subsequent to Tropical Cyclone Yasi.

The Queensland Government Architect is the chair of the Board for Urban Places. Mr Middleton has been in the industry for over 30 years and has extensive experience in architecture, master planning, urban design and integrated landscape design into project solutions. He is a former Queensland president of the Property Council of Australia and he served for almost six years on the South Bank Design Advisory Panel. He also served for two years on the Queensland Heritage Council and four years on the development committee of the Queensland Heritage Council. In recognition of his services to architecture and children's welfare organisations, Mr Middleton was awarded an Order of Australia medal in 2009. I am very excited to have Malcolm on board. I wish him all the best in his new role and look forward to working with him.

I also pay tribute to the outgoing Queensland Government Architect, Mr Philip Follent, who served with great distinction as the Queensland Government Architect over the last three years. I sincerely thank Philip for his contribution to Queensland architecture during this period and I wish him all the best for the future.

Ms O'NEILL: Minister, I notice in the SDS the regulatory role of the BSA within the building industry. Can you please inform the committee of the organisational review of the BSA conducted by KPMG including the key recommendations?

Mr FINN: I have made some commentary on the KPMG report. I am delighted to outline some of those details further. I acknowledge the member for Kallangur as somebody who has worked with me in representing consumers in her electorate. I thank you for the question.

It was an independent review of the BSA that was conducted by accounting firm KPMG. This review found that the organisation performs an effective role in addition to fulfilling its function as a consumer protection advocate. KPMG consulted extensively with industry stakeholders and consumers while formulating its review and recommendations. I note that, amongst those stakeholders, the former minister and the former shadow minister were consulted in formulating that review.

The KPMG review was announced by the former minister for public works, Robert Schwarten, in May last year. At that time it had been five years since the BSA's last review and the global financial crisis had presented industry and the BSA with new challenges. KPMG supported the majority of the BSA's existing services and systems whilst suggesting further areas for improvement. The BSA plays a crucial role in educating the public and protecting consumers through the Statutory Home Warranty Insurance Scheme. KPMG has acknowledged these strengths while suggesting further areas for improvement.

In all, there are 34 recommendations grouped around organisational structure, service delivery, and policy strategy and communications. KPMG recommended these changes be implemented in three tranches over roughly a two-year period. One of the most important recommendations, as I commented on earlier, was the proposed triage mediation process with a view to achieving better outcomes for all

stakeholders, particularly the consumers. Another recommendation, which I think is a very important recommendation, is the creation of one mandatory uniform contract for domestic building work. As we have in real estate with a standard REIQ contract that is used by people signing contracts in that industry, the intention of KPMG is to have a uniform contract as well.

CHAIR: Thank you, Minister. That is the expiry of the time that the committee has to consider the appropriations in question. Thank you, Minister, officers of the department and the Building Services Authority for your presence here today.

Mr FINN: Mr Chairman, I am informed by Mr Jennings that he has the figures that the member was looking for.

CHAIR: Is he going to provide them to the committee?

Mr Jennings: On the subsidence claims, we have not finalised 2010-11 yet. But I have 2009-10, which is 656, total claim \$7.1 million. In 2008-09 there were 820 in number and that is \$8 million.

Ms BATES: Mr Chairman, can Mr Jennings or the minister still take this on notice for the figures that you have not released yet? Thank you.

Mr FINN: We do not have them yet. They have not been finalised yet.

Ms BATES: When they have—

Mr FINN: It is not that we have not released them.

CHAIR: Member for Mudgeeraba, you are not entitled to ask for information that does not exist. It is not for the government to go and make information—

Ms BATES: It does exist, Mr Chairman; it actually has not been collated yet.

CHAIR: So the information does not exist yet. You cannot ask the government to bring a document into existence that does not yet exist. If they have it, they can answer it. The other answer is that they can say they do not have it and you can comment on that in a statement that you might make in the committee consideration.

That is the end of our consideration. The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 9 am on Monday, 18 July. The transcript of the hearing will be available on the Hansard page of the parliament's website within approximately 1½ hours. The committee will now break and resume its hearing at 2 pm with the organisational unit of Transport within the portfolio of the Minister for Transport and Multicultural Affairs.

Mr FINN: Mr Chairman, may I take this opportunity to very briefly thank you and the members of your committee for your work in this part of the scrutiny of the appropriations. I understand that there are long days and a lot of work to go through. I acknowledge your work. I also acknowledge the work of departmental officers in the Department of Public Works, ministerial staff in my office and also the parliamentary staff who have contributed to this important process.

CHAIR: Thank you, Minister.

Proceedings suspended from 1.08 pm to 2.00 pm

ESTIMATES—TRANSPORT, LOCAL GOVERNMENT AND INFRASTRUCTURE COMMITTEE—TRANSPORT

In Attendance

Hon. A Palaszczuk, Minister for Transport and Multicultural Affairs

Department of Transport and Main Roads

Mr D Stewart, Director-General

Mr M Cridland, Associate Director-General

TransLink Transit Authority

Mr P Strachan, Chief Executive Officer

Queensland Rail

Mr P Scurrah, Chief Executive Officer



CHAIR: Good afternoon. The estimates hearing of the Transport, Local Government and Infrastructure Committee is now resumed. On behalf of the committee, I welcome to the hearing the minister, officers of the department and related entities, and members of the public.

I am Evan Moorhead, the member for Waterford and chair of the committee. Mr David Gibson, the member for Gympie, is the deputy chair. The other committee members are: Mr Scott Emerson, the member for Indooroopilly; Ms Mary-Anne O'Neill, the member for Kallangur, has been replaced by Ms Grace Grace, the member for Brisbane Central; Dr Mark Robinson, the member for Cleveland; and Ms Lillian van Litsenburg, the member for Redcliffe.

The committee will now examine the Appropriation Bill 2011 and the estimates for the organisational unit of transport within the portfolio of the Minister for Transport and Multicultural Affairs. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules to the extent that they apply to the estimates proceedings. Before we begin, I ask that mobile phones or pagers be switched off. Also, I should remind you that food and drink other than water is not permitted in the chamber.

Changes to the standing orders and rules of the Legislative Assembly have removed the strict time limits for questions and answers during an estimates hearing. This will ensure that exploration of relevant issues is not artificially curtailed by the time limits and that questions on a particular issue can continue if appropriate. However, it is important that questions and answers remain both relevant and succinct. I intend to guide proceedings today so that relevant issues can be explored without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. Where necessary I will remind ministers and their departmental advisers that their answer to a question should be finalised so that other issues can be examined. For the benefit of Hansard, I ask departmental officers, if you are called to give an answer, to please state your name before speaking.

I now declare the proposed expenditure for the organisational unit of transport within the portfolio of the Minister for Transport and Multicultural Affairs open for examination. The time allocated is 2 hours 15 minutes. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, I refer you to page 2-117 of the Service Delivery Statements and the strategic highlights for the Department of Transport and Main Roads. In the budget appropriations being considered by the committee, can you help the committee's deliberations by outlining your strategic priorities for transport in Queensland in the coming year?

Ms PALASZCZUK: Thank you very much, Chair. I would like to thank the committee for the opportunity to deliver some brief introductory remarks. We have every reason to be optimistic about our future here in Queensland, and that is despite a summer of disaster unmatched in a generation. This state budget demonstrates our continued commitment to transport funding right across Queensland. Whether it is building a light rail system on the Gold Coast—the first light rail project in Queensland—delivering heavy rail to Redcliffe, or funding new cycleways or new road safety measures, this budget delivers.

The state government will invest a massive \$1.8 billion in transport infrastructure in 2011-12 to deliver better public transport for our future. Our priority is to build a world-class sustainable transport infrastructure network. We are supporting a number of key projects such as the Gold Coast Rapid Transit project, the Moreton Bay Rail Link, a number of busway projects and improvements to the cycle network. In the budget for 2011-12, we are investing \$175.3 million for the Gold Coast Rapid Transit project to progress the light rail transport option from Southport to Broadbeach. We are spending \$47 million on the Moreton Bay Rail Link between Petrie and Kippa-Ring in a joint commitment between the Australian government, the Moreton Bay Regional Council and ourselves. This rail corridor first preserved decades ago will soon transform into a vital rail link for our growing northern suburbs.

Our ongoing construction of busways will include contributions of \$93.7 million to continue the construction of the Northern Busway to Kedron. When completed next year, this will extend the existing busway from the Royal Brisbane and Women's Hospital to Kedron, and we are spending a further \$28.5 million in this year's budget for planning the next stage of the Northern Busway between Kedron and Bracken Ridge. We will continue improving the busway network to the east with \$66.3 million to complete stage 2A of the Eastern Busway between the South East Busway and Main Avenue, Coorparoo. This community will also gain two new bus stations at Stones Corner and Langlands Park. Additionally, the TransLink Station Upgrade Program will build station infrastructure such as park and rides and improvements to current bus stations across South-East Queensland.

Our priority is to deliver more frequent and efficient public transport services. This year TransLink will receive a record \$48.2 million for improving public transport infrastructure. This means 125 new and replacement buses for Brisbane and a commitment for more train carriages on the Citytrain network. Queensland Rail will get \$1.1 billion for improving the state's rail network through major projects including the Darra to Springfield transport corridor project. We will spend \$118.3 million on this project to complete construction of a dual track line between Richlands to Springfield and new stations at Springfield Lakes and Springfield.

We will invest \$97 million to build new and enhanced three-car carriage passenger trains for use between the Gold Coast, Brisbane and the Sunshine Coast and \$57.6 million to upgrade and manufacture new rolling stock for the *Sunlander*, including three 14-carriage tilt trains. To improve services for all commuters, \$35.6 million will be spent to ensure compliance with 2007 disability standards through modifications to rolling stock and Citytrain stations. There is also \$27.3 million for new stabling facilities for rolling stock, \$62 million for suburban and interurban rolling stock and \$39 million for rail capacity upgrades. This commitment to improving transport will see more public transport services which help us to ease traffic and contribute positively to climate change.

The 2011-12 transport infrastructure program also caters for growing our cycle network, with \$36 million to construct state owned cycle links and \$12.3 million in grants to local governments across South-East Queensland. This budget will cater for regional connectivity through a commitment for airport upgrades, with \$2.9 million invested under the Regional Airport Development Scheme. I recently had the pleasure of visiting Atherton and Innisfail to inspect completed upgrades to airports. As a result, the Royal Flying Doctor Service will shortly have better access to Atherton Airport during the wet season and Hercules aircraft will now be able to land at Innisfail, opening up vital supply lines during natural disasters. There is \$12 million in the budget to commence work on our City Place bus station in Cairns. Our priority is to also target safety through research, education and engineering.

We are committed to reducing the number of injuries sustained on our transport network. We will spend \$14.7 million for the School Bus Upgrade Scheme by introducing new rollover compliant vehicles to the school fleet. Transport is about people. It is about providing reliable travel choice. It is about connecting our communities both big and small. From Townsville to Mount Isa, from Ipswich to Caboolture, from Brisbane to Cairns, this government will continue to roll out the biggest transport infrastructure program in the nation to give Queenslanders the transport system they deserve.

CHAIR: I call the member for Indooroopilly.

Mr EMERSON: My first question is to Mr Stewart. I table a report, *Internal audit report: car parking review: draft report*. I have some copies already printed. Obviously Queensland taxpayers are very keen to ensure there is not waste. I refer to the item I have just tabled—an internal audit report done by the Department of Transport and Main Roads on a car parking review. Mr Stewart, the audit indicates that taxpayers were paying for 505 car parking spaces at a cost of \$2.6 million a year. The audit could only locate 489 of those 505 car park spaces. How can this government lose 16 car parking spaces?

Mr Stewart: Thank you very much for the question. Certainly one of the key things that we are trying to do within the department is actually make sure that we are spending taxpayers' funds effectively. Very clearly the audit report is part of that process of looking at our facilities more generally, and we look at a whole raft of issues. Can I tell you what we found with the audit report, which we commissioned ourselves—we commissioned the audit report to actually look into this issue. What we actually found in the audit report was that there were 8.5 per cent of people who did not have a clear entitlement to those car spaces.

Mr EMERSON: I refer you back to those 16 spaces, please. That is what I was referring to.

CHAIR: No. Member for Indooroopilly, the way this works, as you know, is that you ask a question, the director-general answers it and then you can ask another question straightaway after that. I call the director-general.

Mr Stewart: Thank you. What we have done is we immediately implemented a new policy within the department, making sure that those people who have appropriate allocation to car spaces have those spaces. What we have also done is to try to remove those spaces that we no longer require. Within the city we have also started to consolidate our accommodation. So, from the perspective of the car spaces, we have undertaken that audit, we have acted on it and we have closed down that process.

Mr EMERSON: Thank you, Mr Stewart, but, as I asked, this audit found that Queensland taxpayers were paying for 16 car park spaces that you could not find. Where did they disappear to?

Mr Stewart: Again, we have looked very carefully at our allocation of spaces in the city and the city frame. We have implemented very clear policies to make sure we use taxpayers' money as effectively as possible. We have taken action on this and we have closed that down.

Mr EMERSON: Did you find them?

Mr Stewart: The spaces were as per the audit report.

Mr EMERSON: The audit only found 489 spaces but you were paying for 505 spaces. That is 16 spaces that you were paying for, that the Queensland taxpayer was paying for, that you could not locate. Where were they?

Mr Stewart: That is why we undertook the audit.

Mr EMERSON: No, the audit discovered that.

CHAIR: No. Member for Indooroopilly, let Mr Stewart answer please.

Mr Stewart: That is why we undertook the audit. We wanted to make sure that we provide value for money to taxpayers in all the services we provide. So we undertook the audit, as we do in many areas of our business, to make sure that we are appropriately spending taxpayers' money. When we found the mismatch in the data and also people not using the car spaces, we implemented a policy and we have sorted that issue out.

Mr EMERSON: I am sorry, Mr Stewart. You are not answering the question. The question is: where were those 16 spaces? You did the audit. You found 489 spaces but the taxpayer was paying for 505 spaces. They were paying \$2.6 million a year for 505 spaces; you could only find 489. Where were those other 16 spaces?

CHAIR: Member for Indooroopilly, you have asked two questions and there was a statement in the middle of that. Can we just have one question and one answer?

Mr EMERSON: Well—

CHAIR: No. We have two questions. Mr Stewart, can you answer the question?

Mr Stewart: As I said, with all of the matters before the department—all that we do from an administrative point of view—we undertook this audit. We always try to provide the very best value. As soon as we found a discrepancy within the audit, we closed the issue down. We rectified that matter.

Mr EMERSON: How did you rectify it?

Mr Stewart: We have implemented a policy. We are looking at the whole issue of car spacings for the department within the CBD and outside the CBD.

Mr EMERSON: So where were those 16 spaces? Did you identify where they were?

CHAIR: Just one question.

Mr Stewart: Again, we went through an audit to look for all the car spaces. We actually administratively released the report to you.

Mr EMERSON: Under RTI.

Mr Stewart: We administratively released the report to you. But I can tell you that we go through, as we do with every other expenditure in the department, to look at where there is waste and where we can actually do better. As soon as we identified this issue, we closed it down and we fixed it.

Mr EMERSON: The report indicated that, for the \$2.6 million that had been paid for each year for the 505 spaces, you could only identify 489 spaces—a 16-space discrepancy. Those 16 spaces could not be identified even though the taxpayer was paying for those spaces. As part of your audit when you located that 489, did you work out how much extra the taxpayer had been paying each year for these 16 spaces that you could not find?

Mr Stewart: I will repeat what I have said previously. We did an audit report. We identified an issue. We fixed the issue.

Mr EMERSON: So you do not know. You never found out how much extra the taxpayer was paying for spaces that you did not even know existed or could not find.

Mr Stewart: We identified the issue and we fixed the issue. We constantly look at fixing the issue. It is like other parts of the expenditure of the department. We have tried to reduce and we have reduced our vehicle fleet. We are constantly looking at expenditure items within the department to make sure we provide services back to the Queensland community.

Mr EMERSON: Can I suggest that anyone in the public listening to this estimates hearing—

CHAIR: No—

Mr EMERSON: They would be hearing that you do not seem to know where the 16 spaces are. Can you at least tell me this: for how many years were the Queensland taxpayers paying for these missing 16 spaces?

Mr Stewart: Again, I can tell you the audit was a point in time. As soon as that information came to hand, we dealt with it.

Mr EMERSON: So you are saying that you have no idea how much extra Queensland taxpayers had been paying each year for these spaces and for how many years this had been going on?

CHAIR: Can we hold it there for a minute. Member for Indooroopilly, we are getting the same question over and over again.

Mr EMERSON: Unfortunately, the director-general does not seem to be interested in answering it or does not seem to have the answer.

CHAIR: Member for Indooroopilly, as I explained to the member for Mudgeeraba earlier today, if you continue to ask the same question, do not be surprised if you continue to get the same answer.

Mr EMERSON: Mr Chair, the last question was how many years it has existed for, which is different from the previous questions.

CHAIR: Mr Stewart, Mr Emerson has asked a question. Can you answer his question?

Mr Stewart: We undertook the audit at the beginning of the year to identify the allocation of parking spaces. This was done as part of the amalgamation of the former departments. We wanted to understand our exact liability and our use of parking spaces. We undertook that audit. At that point in time when we undertook the audit, that was what was identified. We have closed down that issue.

Mr EMERSON: I have a very simple question to you, then, and I would appreciate a yes-or-no answer. Do you know how long this anomaly had been going on? Do you know how many years? Yes or no.

Mr Stewart: All I can say is that at the point in time when we did the audit, that is when we identified the issue.

Mr EMERSON: I will take that as a no.

CHAIR: No, member for Indooroopilly, it is not for you to make suppositions based on an answer; it is up to you to ask the questions and it is up to Mr Stewart or the minister to answer the question. You can ask another question but let us not get into a debate.

Mr EMERSON: Mr Stewart, are you confident that Queensland taxpayers are still not paying for non-existent or missing car park spaces?

Mr Stewart: Yes, I am very confident. The audit report was undertaken. As I said, we look at a whole raft of our operational expenses. We do audit reports. That is why we do it. I am very confident that we identified this issue and we sorted this issue out. As I said, the other area we are interested in is that we have reduced our own vehicle fleet and we have reduced the emissions coming from our own vehicle fleet. We look all the time at these operational aspects of our department. As issues are identified proactively and we find they are not where we think they should be, we fix them. This is a case where we fixed the issue.

Mr EMERSON: But you still have no idea of how much waste had occurred and how much the Queensland taxpayer had been paying for spaces you had no idea existed.

Mr Stewart: The audit report that you have, that we have provided to you, shows you at that point in time where we were, and we have gone forward and fixed it.

CHAIR: Member for Indooroopilly, in terms of your line of questioning, I think you are bordering on tedious repetition.

Mr EMERSON: I think trying to stop the waste of taxpayers' money is never boring, Mr Chair. I think it is of primary importance.

CHAIR: Member for Indooroopilly, first, I did not suggest that it was boring and I am concerned that your comments may be bordering on a reflection of the chair. I ask you to continue with your next questions.

Mr EMERSON: Mr Stewart, I refer to section 2.7.1 of the same report. The report looked at the issuing of car park space passes. The report indicated who had passes when you did the audit. It stated the following: 20 of those listed with passes no longer worked for the department—they may not have worked for the government at all; 17 of those passes did not have names recorded against them so you do not know who had them; it was not clear whether passes had been issued to staff who were entitled to have a pass; and 12 employees who had passes did not even work in the building, Transport House. Is that an acceptable situation?

Mr Stewart: I will repeat what we have done. As part of the process of continuing to look at the operational components of our program, our department, we undertake numerous audits to understand what is happening within these specific areas. As soon as we identified an issue, which we did as part of this audit report, we closed it down; we fixed the issue. It is like all other aspects of our program: we continue to look at how we can provide better services to Queenslanders. It is an ongoing component of our work. We do these audits to understand what is happening. If people do not have clear entitlements then we basically remove those entitlements.

Mr EMERSON: So you hunted down those people that you could find who had the passes and you got them back?

Mr Stewart: We have the parks. The spaces are within the building where they were counted. Those people who are not entitled to them no longer have access. We have a new policy in place. We have closed this issue. We fixed it.

Mr EMERSON: Once this audit identified all of these passes that were given to inappropriate people—to people who did not need to have a pass, who did not work for the department, who did not work for the government, who did not work in the building—did you investigate whether there had been any fraud involved?

Mr Stewart: I am not aware of any cases of fraud in relation to these spaces. I do not have any specific information to support any suggestion that there was fraud involved at all.

Mr EMERSON: My question was whether you investigated whether there had been fraud.

Mr Stewart: The auditors have not raised any issues. The auditors look at these issues. They have not raised any issues of concern of fraud within their report.

Mr EMERSON: The audit report did not indicate whether there had been any scrutiny of that issue at all. All it identified was 60 or so passes that were inappropriately issued, or they could not find who had them. That certainly raises in my mind concerns that they may have been misused. Why didn't you check to see that these passes had not been fraudulently used?

Mr Stewart: Because as soon as the issue was identified within the report, we closed the issue down. We shut it down.

Mr EMERSON: So you hid it; you shut it down. You said, 'That's it.' You drew a line on it and said, 'Don't worry about it.'

Mr Stewart: We have gone to fix the issue. We have fixed this issue.

Mr EMERSON: Can I suggest that fixing the issue may be fine but that is like saying, 'I put better security in the bank after it was robbed.' That is not dealing with the issue of when it was being robbed. What I am asking you is: why didn't you look at potential fraud arising from the fact that people had passes they were not entitled to and that some passes obviously were for people who no longer worked for the department, who potentially no longer worked for the government? Why didn't you say, 'Who has been using them? How have they been using them? Why have they been using them?'

Mr Stewart: The auditors have a very open scope of work when they do these reports—

Mr EMERSON: Can I suggest that—

CHAIR: No, member for Indooroopilly, the director-general has not even finished his first sentence and you have cut in. We will let him finish his answer and then you can ask another question. Mr Stewart?

Mr Stewart: When we put auditors into these processes to find out what was happening, the auditors did not identify any concern of fraud. They have a very open mandate. The auditor group actually look after fraud prevention within our department.

Mr EMERSON: If I look at the audit objectives and the scope of the audit in the report, it does not actually cover that potential issue of fraudulent, illegal or corrupt behaviour. It was not within the scope of the audit. The audit discovered the situation and then it was up to you to actually say, 'Maybe fraud has occurred. Let's investigate that.'

Mr Stewart: Again, if you believe that there has been fraud or misrepresentations, my auditors have given me a clear report. They have not indicated to me in that report. The auditors are free to raise any other issues of concern with me. In this particular case they identified an anomaly around the number of car spaces. Importantly, they also identified that there were members of our staff who did not have a clear entitlement to these spaces. That issue was identified, a new policy of the department has been implemented and this issue has been closed down.

Mr EMERSON: Did you ask the auditors whether there was any potential for fraud? Did you ask them that question?

Mr Stewart: I didn't ask the auditors that specific question but, again, the auditors, as I say, work with all of these issues all of the time and they have not raised that with me.

Mr EMERSON: I turn to appendix A of the report and the implementation plan. The first audit finding in the appendix in the top left-hand section says—

Record keeping by divisional and branch staff were not accurately maintained in some business areas, resulting in a net overpayment of approximately \$79,000 in fringe benefit tax.

Was that every year that that was being paid?

Mr Stewart: My understanding is that that was the issue that was identified at the point in time of the audit.

Mr EMERSON: Again, you have no idea of how many years and the total sum of overpaid FBT to the feds?

Mr Stewart: Again, the answer I can give you is the answer that I know. When this report was developed that was the case, and since that time we have implemented new policies of the department to make sure that this issue does not happen again, that these issues do not arise.

Mr EMERSON: As you have just said to that question, you do not know. That was your answer, that you do not know. That is fine, then. Why didn't you find out?

Mr Stewart: Because very clearly again this is a matter that we looked into in detail as part of the audit report. As soon as this issue was identified, we implemented policies of the department to actually fix this, so this issue has been fixed.

Mr EMERSON: Has any of that money been recovered?

Mr Stewart: No, not at this time.

Mr EMERSON: Why not?

Mr Stewart: As I said, at this point in time we have an audit report, there were a number of anomalies raised in that audit report and we have implemented a new policy of the department and we have fixed the issue.

Ms GRACE: Minister, transport reconstruction is referred to on page 2-118 of the SDS. Can you provide information on the ongoing efforts made to recover the state's transport network after the disasters of last summer?

Ms PALASZCZUK: I would like to thank the member for Brisbane Central very much for her question. As committee members will be aware, between December 2010 and March 2011 Queensland experienced significant heavy rain events and three tropical cyclones. It was a summer of disaster, as I said in my opening statement, unmatched in a generation. The Department of Transport and Main Roads actively participated in the incident response phase to each weather event and, once this immediate phase was complete, focused on recovering the transport network prior to long-term reconstruction.

Damage to our state's transport network included—and I think these figures are very important so that the committee can understand the depth of the impact—55 per cent of the rail network closed at the height of the disasters and 29 per cent of the rail network subsequently affected, and five per cent of the state's cycle network in both Brisbane Cairns being affected. Damage that extensive and widespread would bring down a weaker state but not Queensland. The state government immediately focused on delivering Operation Queensland, the biggest reconstruction effort in Queensland history.

I am also pleased to be able to tell the committee that since that time I have had the opportunity of attending a number of the meetings that the department has held with various stakeholders about our recovery effort, led of course by the director-general, Dave Stewart. On behalf of the government, I would like to thank Dave Stewart for leading those recovery efforts. It has been a remarkable achievement by everybody involved.

By last month, the key achievements of the recovery phase included reopening 96.8 per cent of the closed railway lines—which is a huge, huge effort on behalf of Queensland Rail—and recovery of all of our Brisbane and Cairns cycleways. We also saw this as an opportunity for innovation, by establishing a Flood Road Recovery Access Group, a state-wide permits office and coordinated efforts across the transport network. Heavy-vehicle experts worked to ensure essential services were maintained across Queensland, setting up a one-stop shop for approvals.

To support the work of the Queensland Reconstruction Authority, the Department of Transport and Main Roads established the roads and transport lines of reconstruction, and this was undertaken through the recovery committee that I referred to previously. I also want to take this opportunity to recognise the amazing work done by not only Queensland Rail but also Peter Strachan through TransLink. In a moment I will hand over to Paul Scurrah, but first I want to say that the Toowoomba

range was damaged in some 262 places. It would usually take anywhere from six to 12 to even 18 months to rebuild this railway network. Queensland Rail was able to have that up and running within three months, which meant the passenger network was open and which meant our vital freight networks were open which also meant that our freight task from the roads was able to move back on to rail. That was an extraordinary effort and I really want to give my thanks to all of the staff involved.

In terms of our public transport network here in South-East Queensland—Peter Strachan will give more details—it was up and running in a matter of days. Also during that period we were able to give free public transport to commuters to help them get to where they needed to go in their time of need. I might briefly hand over to the CEO of Queensland Rail, Paul Scurrah, just to give a few comments about the Queensland Rail reconstruction effort, because do not forget that Queensland is such a huge state that the rail networks are not just in South-East Queensland but spread right across the state. Paul, if you would please elaborate.

Mr Scurrah: Thank you, Minister. I would like to start by congratulating our partners in the recovery—the Department of Transport and Main Roads and TransLink. Queensland Rail is a company in its current form that is just over one year old now, so we have not been without our challenges in the last 12 months. Pre flood and cyclone we went through the challenge of a major separation—a demerger with QR National which was one of the largest demergers in the history of Australian business—and then the challenge of integrating the remaining parts of QR Ltd into a cohesive, one-customer focused business known as Queensland Rail. From 1 July last year we set up the priorities of our business to be around safety first, customers, our people, being commercial and handling growth as well as the community standing that we take very seriously, and this set us up very well for the challenge that was thrown at us in an unprecedented way in December and January.

We know how vital we are to the state of Queensland; we know how vital we are to the economy. We consider ourselves to be the heartbeat of Queensland in keeping the economy ticking over and keeping communities linked. The preparation we did in the separation of Queensland Rail set us up well to have a rapid response for those priorities. We rapidly responded by making sure that we put safety first, that we made sure that we looked after the 7,000 people of our company, that we did whatever we could to continue operating throughout the floods and cyclones for our customers, that we protected our asset so that we were positioned to recover rapidly to get the state up and running again.

I think it is well worth stating that over 3,800 kilometres of our network was either closed or damaged throughout the unprecedented events of December and January. Respected commentators such as IBISWorld in their initial assessment said that it would be years and hundreds of millions of dollars to recover. We are very proud to say that we recovered the entire network within 11 weeks at a total cost of approximately \$57 million. That is an enormous effort by the people of Queensland Rail. I am immensely proud to be the CEO of Queensland Rail. We had customers for whom we were the lifeblood in terms of bringing coal freight and goods down the Toowoomba range, for example. Some of those customers were losing millions of dollars per week. So to do so in 11 weeks is something that I am immensely proud of.

We take our position in the Queensland economy seriously. We also did that in the face of having over 700 employees living in and amongst the cyclone damaged North Queensland area. Some 80 staff members were directly affected by losing everything through the floods. We also had over 1,000 people involved in the recovery of the repairs. So we are very proud of what we did. Our community contribution is one we take very seriously. In and amongst that challenge for us as a business we prided ourselves on leading the recovery of the state. Whilst we were dealing with our own issues, we were also active participants with local councils in terms of donating heavy equipment and people to help local communities recover. That is something I think that the people of Queensland Rail and the people of Queensland should be immensely proud.

Ms PALASZCZUK: I now ask Peter Strachan, the CEO of TransLink, just to talk about the recovery effort here in South-East Queensland following the floods.

Mr Strachan: Thank you, Minister. Just echoing what the minister and Paul Scurrah have said, in my over 30 years of running public transport and running transport in very many places in the world this is the greatest natural disaster and one of the greatest transport challenges that I have seen. What we did in TransLink was we deployed the TransLink crisis management arrangements very early on Tuesday, 11 January, and that was very much a collaborative effort across the delivery agencies—from Transport and Main Roads to Queensland Rail to our private bus delivery partners to our Brisbane transport delivery partners. I would pay tribute to each and every one of those organisations here this afternoon on behalf of TransLink and on behalf of the government, because it was a magnificent achievement.

What we actually did was we managed to get bus services restored to South-East Queensland by the Monday following the week of the floods and rail services fully restored on the Wednesday following the week of the floods. Particularly when you consider the damaged infrastructure, the damage to services, to bridges, to stations, to track, to signals that existed on the Ipswich line, that was an achievement nothing short of magnificent. One of the key things that we wanted to do during the crisis

period was to make sure that our customers were kept fully informed. The TransLink website took over a million hits, and that is in comparison with normally around 700,000 hits per week, during that week following the floods. The TransLink website kept going right throughout that period and was a key source of information to our customers. We were also very strongly on media and had a XX45 slot booked on ABC Brisbane to make sure that customers were kept informed in that way too.

We had a very positive response from our front-line staff and a very positive response from staff in TransLink. As with Queensland Rail, I have a number of my people who were personally affected with their homes being flooded at both ground floor and first floor level who worked their way through that process. We have a bus driver in Ipswich whose house was completely devastated by the flood who kept on driving buses through that period, so it was a very creditable response. I was very pleased and, as Paul Scurrah said, very proud to lead that TransLink effort during that particular national disaster in January in South-East Queensland.

CHAIR: Thanks, Mr Strachan. Member for Brisbane Central.

Ms GRACE: Thank you very much, Minister and Mr Strachan and Mr Scurrah. That was great. Minister, on page 2-123 of the SDS at point 7 it mentions supporting that important issue of public transport patronage. What contribution is the government making to improving rail timetables in South-East Queensland?

Ms PALASZCZUK: I thank the member very much for that question. As the committee would be aware, we have recently invested some \$26 million in new rail timetables rolled out last month from Ipswich and Caboolture. This is the first major overhaul of this timetable in over 15 years. Once again, I want to thank both Paul Scurrah and Peter Strachan for the amazing work that they have done in delivering this timetable change. What we basically saw in the lead-up to that timetable change was heaps of consultation happening right across South-East Queensland and a lot of feedback from commuters, and overall the feedback was quite positive. We did identify early on that there was one particular issue, and that issue was in relation to some peak loading leaving Central Station heading up to Nambour. I had the opportunity of going up to Central Station with the chief operating officer from Queensland Rail, and Jeff Addison from Rail Back on Track was there as well. We looked at that peak loading and I would have to agree with everybody—and I looked at the figures—that that particular train was experiencing a lot of overloading.

Essentially, there were a lot of people hopping on at Milton for some reason and then travelling right through but a lot of people hopping off at Caboolture. Queensland Rail and TransLink looked very carefully at this timetable and we were able to add an additional service. That additional service now leaves, I think it is, at 5.28 from Central. I was very pleased to be able to catch that train as far as Northgate as recently as this Monday. Jeff Addison from Rail Back on Track was there. The member for Morayfield came along as well. Can I just say that the customers on that particular service were very happy. So out of the whole timetable changes—and we had heaps of bus changes, massive changes in terms of where the trains will be running from—it has been very successful. In terms of that one single issue which we identified over a couple of weeks—which we also monitored—I know that the member for Indooroopilly wanted it to be fixed up there and then on the spot. But you do not just fix things up on the spot; you have to actually make sure—

Mr EMERSON: Get it right in the first place.

Ms PALASZCZUK: This was one issue out of the whole timetable change—the most comprehensive overhaul in 15 years. So thank you to all of the staff. I want to thank all of the customers out there. It has been an overwhelming success. But today I have some good news, and the good news is that I can announce that there will be further timetable reviews of the train services on the Cleveland line as well as the Beenleigh, Gold Coast, Doomben, Ferny Grove and Shorncliffe lines as well, and they will start in November. We will see another comprehensive review. We will go out to the community. We will ask the community for their thoughts and their opinions and then we will be able to make changes and, with our additional rolling stock, be able to put new rolling stock onto those services. I once again want to thank Queensland Rail for their tremendous work. TransLink had their helping hands out at all of the stations as well to make sure that commuters knew about the new services. I also want to thank Rail Back on Track for actually raising those issues with us. The correspondence coming into my office has been overwhelmingly positive. So it has been a huge achievement and it has definitely been money very well spent.

Ms GRACE: Thank you, Minister. Just continuing on that in relation to patronage, you mentioned the Gold Coast and some review. Would you like to elaborate on what investment the government is making to improve the public transport services to the Gold Coast, which we know is growing very rapidly?

Ms PALASZCZUK: Sure. I am very happy to talk to the committee about Gold Coast services. This is something that I am very passionate about and I am quite happy to talk later to the committee a bit further about some of our major projects, especially the Gold Coast Rapid Transit. In relation to our frequency on the Gold Coast, we are able to deliver approximately a 15-minute level of service across the peak period. Morning peak period services have increased from five services consisting of four six-

car services and one three-car service in 2005 to eight six-car services in 2010. This represents approximately an 80 per cent increase in the morning peak capacity on the Gold Coast line. Evening peak period services have increased from five services in 2005 consisting of four six-car services and one three-car service to nine six-car services in 2010. This represents a doubling or 100 per cent increase of evening peak capacity on the Gold Coast line. A new early morning service has been introduced departing Varsity Lakes at 4.34 am and arriving at Central at 5.56 am.

Nearly \$1 billion is being invested to purchase our 64 new three-carriage trains. These trains are rolling off the production lines at a rate of one per month and have been for the period December 2008 to December this year. The Queensland government has delivered \$646 million worth of investment in rail infrastructure on the Gold Coast, including \$66 million for the rail duplication from Helensvale to Robina, completed in 2008-09; \$261 million for the third track from Salisbury to Kuraby, completed in 2008-09; \$20 million for the rail duplication from Ormeau to Coomera, completed in 2006-07; and \$299 million for the rail extension from Robina to Varsity Lakes, completed in 2009-10. As I said previously in my answer to the member's earlier question, that review of the Gold Coast timetable will be very welcomed by commuters on the Gold Coast and we will have consultation beginning down there in November.

Ms GRACE: Excellent. Minister, the SDS at page 2-118 at points 10 and 11 refers to the government's investment in public infrastructure. I know that my electorate has been the beneficiary of busways, but can you please indicate what is planned for busways further in South-East Queensland?

Ms PALASZCZUK: Thank you. I love talking about busways because it is something that is unique to South-East Queensland and something that is helping us deliver a world-class public transport system. In fact, we just recently celebrated the 10-year anniversary of the South East Busway. I was able to travel on that with the local member, the Minister for Child Safety and Sport. I know that he was the No. 1 ticket holder. He now has his go card so he cannot claim to be the No. 1 ticket holder anymore. Some 10 years ago there were no busways in South-East Queensland and now we have four new dedicated busways and 19 operational busway stations which are fully accessible for people with a disability. Having been the former minister for disabilities, I am very passionate about that. Every time I go out into the network of these busway stations it is great to see the accessibility there.

People from all around the world come to view our busways—all around the world—and I know that the other states are very keenly looking at what we have done here in South-East Queensland. We are continuing to invest. We are continuing to expand our busway network. As part of our investment, we have extensions happening to cut travel times for the eastern suburbs and northside commuters, especially during peak hour. We have committed \$833 million for the first two stages of the Eastern Busway as well as \$731 million for the Northern Busway so far.

The Eastern Busway has been identified by Infrastructure Australia as a national infrastructure priority. These priority future sections include the \$685 million, 1.6-kilometre extension of the busway from Main Avenue, Coorparoo to Bennetts Road, Coorparoo, and \$140 million for 3.4 kilometres of transit lanes from Scrub Road, Carindale to Tilley Road, Chandler.

I am pleased to announce that new buses will roll through the new Stones Corner and Langlands Park, Coorparoo busway stations very shortly, adding more than 100,000 weekly seats to the transport network when work on the Eastern Busway finishes in the next couple of months. More than 2,000 bus services a week will stop at the Stones Corner Busway Station and more than 1,700 bus services will stop at Langlands Park, Coorparoo. I had the opportunity to go out there with the local member for Greenslopes, Cameron Dick, to inspect this busway. The way it is just coming out of the ground, the station is almost complete. This is just going to be another piece of infrastructure that is added to our network.

That is what we do. All of our money that comes from fares goes back into growing our bus and rail network in South-East Queensland. We will have more than 2,000 bus services a week. We will stop at the Stones Corner Busway Station and more than 1,700 bus services will stop at Langlands Park, Coorparoo. So we have heaps of good news there with that. We have extensions happening on the Northern Busway as well.

Mr EMERSON: My question is to the minister. I refer to the internal audit report that was discussed a little earlier in our hearings.

Ms PALASZCZUK: Yes.

Mr EMERSON: Mr Stewart indicated that they had not determined how much taxpayers' money had been wasted with those 16 spaces over so many years or how much fringe benefits tax—that is, \$79,000 a year—for how many years had been paid for and none of that money had been recovered. Minister, are you concerned about the fact that 16 car park spaces were lost and the fact that we have recovered none of that money?

Ms PALASZCZUK: I might just clarify something to start off with, and that is in relation to corporate matters. They actually should be directed to the Minister for Main Roads. That is his responsibility. This morning you asked him a question about registration, and you are going to refer that

to me later this afternoon. These issues fall under his responsibility. However, I can say that, because Minister Wallace and I work extremely closely together, the director-general advised both Minister Wallace and me that this audit report was conducted by the department. As the director-general has said to you very clearly, the auditor came in, made a thorough assessment and made recommendations. These recommendations will be followed through and I have every confidence that the director-general has taken the right course of action here.

Mr EMERSON: Are you concerned about the waste of money?

Ms PALASZCZUK: I am now assured that the director-general has taken the right course of action. There are recommendations in that internal audit report. There are recommendations there that will be followed up. So I have every confidence that now that the audit report has been done they will be followed up.

Mr EMERSON: When the director-general told you about the audit report, did you ask the obvious question: what happened to the 16 car park spaces?’

Ms PALASZCZUK: As I said to you, the responsibility for corporate matters rests with my colleague the Minister for Main Roads.

Mr EMERSON: Is that a no?

Ms PALASZCZUK: We were both made aware of the report, and the director-general has made it very clear to this estimates hearing that the recommendations will be followed up. The director-general has made it very clear to you today. If you want to continue this line of questioning I am more than happy for you to do so—

Mr EMERSON: I appreciate that. Thank you, Minister.

Ms PALASZCZUK:—but you will get the same answers from me.

Mr EMERSON: I will continue that line of questioning at your request.

CHAIR: Member for Indooroopilly, the minister has indicated that the matter is not within her portfolio responsibility.

Ms PALASZCZUK: That is correct.

CHAIR: The minister has obviously—

Mr EMERSON: But the minister has indicated also that she is quite happy to take questions on that matter.

CHAIR: Member for Indooroopilly, it would help if you do not butt in when I am trying to clarify this so that we can move forward. The minister has indicated that she is prepared to answer those questions as best she can.

Ms PALASZCZUK: Corporate responsibility for the Department of Transport and Main Roads is with the Minister for Main Roads. So you would have had every opportunity to address those issues to him. I have merely responded to the fact that, as both departments have been combined, the director-general discussed that report with both of us, and I have every confidence that the director-general is implementing the recommendations of that audit report.

Mr EMERSON: I thank the minister for her willingness to take questions on that, as she indicated a moment ago. She is quite happy to continue pursuing this, as she said.

Ms PALASZCZUK: And I will keep repeating the answer.

Mr EMERSON: So, again, are you concerned about the fact that you do not know and the Queensland government does not know how much money was wasted? How much money was lost to Queensland taxpayers?

Ms PALASZCZUK: I am just going to repeat my answer, because the audit report has been done. The Department of Transport and Main Roads is a huge organisation. In fact, it is one of the largest departments in government. A lot of these car parks are leased, to my knowledge, by different building companies. The audit report was completed. The audit report has recommendations, just as there was an audit report done on the new Queensland driver’s licence. The audit report is done and then it makes recommendations to the government and the government implements them. This is what the director-general is doing in relation to this. As I have said previously, it comes under the responsibility of my colleague the Minister for Main Roads.

Mr EMERSON: You mentioned the audit report on the Queensland driver’s licence which was done by the Auditor-General of Queensland—

Ms PALASZCZUK: Yes.

Mr EMERSON: As opposed to an internal audit that only came to light because we made a right-to-information request and have raised it here today. You did not release it. The main roads minister did not release it. The department did not release it. We have obtained it and brought it to light. The

question I am asking is: \$79,000 a year was given in FBT to the federal government. We do not know how many years that \$79,000 a year was incorrectly given to the federal government. Why has the government not sought to get some of that money back?

Ms PALASZCZUK: It is not my portfolio responsibility. I am more than happy to repeat what I have said to you. The audit report has been done. The recommendations will be implemented and I am quite sure that the issues you have raised will be followed up. I have every confidence that the director-general will take the necessary action in relation to this issue.

CHAIR: Member for Indooroopilly, the minister has raised again the issue that the appropriations before the committee at this time are not relevant to those that you are raising. The minister has answered as best she can. It is not helpful for the committee to keep going over issues that are not relevant to the committee's deliberation at this time.

Mr EMERSON: Thank you, Mr Chairman. I will make the point before I ask the next question—

CHAIR: No, please do not make a point. You can ask a question.

Mr EMERSON: The internal audit report—the version I have—was created in September 2010, almost a year ago, and it has first come to light. So for almost a year there have been no efforts to reclaim any money. The minister made the connection between that and the Auditor-General's report on the Queensland driver's licence. I point to that Auditor-General's report, which the minister would be aware of—report to parliament No. 4 of 2011, titled *Information systems governance and security*. Just like the internal audit—

CHAIR: Member for Indooroopilly, are you asking a question or are you making a statement?

Mr EMERSON: Yes, I am. Just like that report, the Auditor-General's report into the driver's licence found remarkable amounts of waste and loss of taxpayer funds. My question is to Mr Stewart. Firstly, what was the original budgeted cost for the driver's licence project?

Mr Stewart: How far back in history would you like to go?

Mr EMERSON: When it was first raised by Peter Beattie.

Mr Stewart: Let me just get that figure for you. The 2007-08 budget was \$47.086 million.

Mr EMERSON: For the total cost of the project?

Mr Stewart: That was the capital cost for the project.

Mr EMERSON: The Auditor-General last month found it now cost at least \$148 million, which is obviously about \$100 million—or approaching more—than was first forecast. Why has it increased so much?

Mr Stewart: Is that question to me, sorry?

Mr EMERSON: Yes.

Ms PALASZCZUK: I am more than happy to answer it as well.

Mr EMERSON: You will have your chance, Minister.

Ms PALASZCZUK: Okay.

Mr Stewart: I think it is interesting to look at the history of the new Queensland driver's licence. When it was first envisaged it was as a public-private partnership. At that time the capital costs were identified as \$47.086 million. The government then made further considerations of this project and its viability as a public-private partnership. The government, after going to tender on the project—and, sorry, I am repeating history that I think is correct—with that public-private partnership found that there were no proponents who provided a value-for-money proposition. It was then decided to deliver that project as a traditionally delivered project.

So the project was originally a PPP. We know that with public-private partnerships there is the opportunity to offset costs, because of third-party revenue opportunities and other uses of the product. But at that stage there was no value-for-money proposition. There was no tender that provided that proposition. The decision then was to go on a traditional procurement method and we have been moving forward since that time on a traditional procurement method. For the past two years the capital outlays for the budget have been \$112.621 million and they have not changed for two years. So the project is being delivered as per the budget over the last two years.

The Auditor-General in his report—if you read it on that page—talks about capital outlays and operating budget. There has always been an operating component of the budget of \$35.7 million. I am happy to go through, and I will go through, the components of the new Queensland driver's licence, because I think we need to be very clear about what the product is and what we are delivering. The rollout has been moving. At the moment we are at 19 customer service centres. It is very key technology.

Let me go through the budget make-up of the \$112 million that has not changed for the last two years. In fact, this issue was subject to scrutiny at last year's estimates. There is \$13.15 million for the cost of the actual delivery and development of the technology; \$11 million for the rollout of the installation of the customer service changes to the 57 customer service centres and the police stations; and \$54.196 million for information systems associated with the technology. So what we are doing is putting a front end on to the TRAIL system to deliver the secure driver's licence. We have \$26.77 million for the equipment and software to capture the biometric details. One of the key features of the new Queensland driver's licence is that we have gone from the old plastic laminate to a biometric capture of images. So we have gone from a very low-tech to a high-tech key. Let me keep going with the capital budget.

Mr EMERSON: I will stop you there.

CHAIR: No.

Mr Stewart: There is \$7.4 million for the project management costs associated with Queensland Transport. As I said, this budget—this capital outlay of \$112.621 million—has not changed for the last two years. We are rolling out the new Queensland driver's licence in these customer service centres. Let me read what the Auditor-General said in his report. The Auditor-General said—

Recent changes to the governance of the New Queensland Drivers Licence project demonstrate a more effective system implementation process and the project is on track to rollout a new driver licence across the State ...

So we have gone from a PPP project—that was what the original project was going to be—to now a project that is being delivered by government. We have taken the risks of integration and that is what is happening with that product.

Mr EMERSON: Thank you. You very kindly had those two drivers licences—the old and the new. If you could hold them up again that would be great.

Mr Stewart: Yes.

Mr EMERSON: On that new one there is an embedded computer chip. What is on that? What is that being used for?

Mr Stewart: The chip stores the biometric details of an individual. So when you go into a customer service centre you get to look at the whole issue of biometric details. The cardholder's personal details are also on there—the person's name, their date of birth; all of those sorts of details. So there is a lot of information—

Mr EMERSON: Apart from the name and the date—

CHAIR: Member for Indooroopilly, again, let Mr Stewart finish his answer and then you can ask another question.

Mr Stewart: What we are delivering is the most secure driver's licence in this country at the moment. We are seeing other people and other states come and talk to us about the delivery of this product. It is a secure driver's licence. From a reproduction, from a fraud, from a theft point of view it is very difficult. Compare it with this which is easily copied. This is a secure driver's licence. It actually has biometric details. If someone comes into a customer service centre and has my driver's licence, David Stewart, and they are really John Smith and they try to have that identity, the biometrics matching actually occurs so we can understand whether people are trying to steal identity. As you know, identity theft is a major issue. In fact, the federal Attorney-General in most recent times has raised this as a significant point and a significant issue in this country.

Ms PALASZCZUK: Up to a billion dollars.

Mr Stewart: A billion dollars. So it is a major problem. The chip has that data.

Mr EMERSON: You quoted from the Auditor-General's report. I will quote my own section where the Auditor-General has criticised the business case for the card saying opportunities were identified before it was determined whether the technology was available to deliver them. Why did that occur?

Mr Stewart: Again going back into history, you need to look at around the time when the driver's licence was first implemented. There were a lot of things happening in Australia at that time and a lot of opportunities that potentially were available for a smart card, a card that had that sort of information. But I think the clear message that we have said, and I think that in our discussions with the Auditor-General over the Auditor-General's report, is we are delivering a secure licence—we are focusing on delivering a secure licence. It is a bit like the go card: focus on delivering the core technology, the core product, getting that right, getting it delivered. That is what we focused on. In the future who knows what will happen. As I said, when this card was first envisaged we were talking about the Australia card. We were talking about a whole pile of things. We were talking about Medicare and those sorts of things. So there were a whole pile of opportunities that were around in that space at that time. Can I tell you what we are doing? We are delivering a secure driver's licence, the most secure driver's licence in Australia. Other states, as with the go card, are coming and talking to us about this product.

Mr EMERSON: Do you see that driver's licence in the future as being another Australia card?

Mr Stewart: No. I will reiterate, what we are doing is delivering a secure driver's licence. This identifies the person. You can have a marine licence, you can have an adult proof of age card. This is a driver's licence that is secure. It is a state-of-the-art product that is delivering very clear benefits so that people's identities are not being stolen. It is a secure driver's licence. We have gone through a lot of detail in the process, the security and the production of the card. We have taken on all the risks of the product integration. But this is a secure driver's licence. We are delivering the most secure and durable and reliable driver's licence for our customers in Queensland.

CHAIR: Before we go to the next question, member for Indooroopilly, can I ask you to be careful when asking leading questions to public servants. I think politicians are fair game if you put a proposition in your question and ask them to agree.

Mr EMERSON: I agree, Mr Chairman. I think Mr Stewart raised the Australia card and I was just clarifying that.

CHAIR: What I am saying is that a leading question is one where the question suggests the answer. That is fair enough for a minister, they are fair game for those types of questions, but just be careful with how you phrase those types of questions to public servants.

Mr EMERSON: The Auditor-General indicated in his report that there had been a cost blowout. The project was already two years overdue. The cost of five-year drivers' licences will double from \$73 last year to \$152 in 2014-15. Is that because of the increased cost of producing and using these new licences, Mr Stewart?

Mr Stewart: I think some of the matters you are raising really are government policy and should maybe be directed to the minister but I am happy to talk about the operational issues and the process around the development of the card. I can certainly tell you that the current cost of the laminate, you are right, is \$78.20. The current price of the new Queensland five-year driver's licence is \$119. You are correct that taking account of CPI, in five years that driver's licence price will be \$152.40. But the new Queensland driver's licence is still cheaper than drivers' licences provided in other states. This is a secure licence. Identity fraud and identity theft is a major issue in this country. We have produced and are rolling out—prudently—a new Queensland driver's licence. We have also had discussions with the Auditor-General. The Auditor-General noted that this project is on track for delivery.

Mr EMERSON: Two years late.

CHAIR: Member for Indooroopilly, Mr Stewart is answering the question. You will get a chance to ask another question.

Mr Stewart: The product will be delivered to all our customer service centres by the end of this year and into remote police stations early next year. But the great majority of people will have access to this new technology. In fact, it was interesting in Toowoomba that we saw a lot of people coming from normally the Harristown catchment to get a new Queensland driver's licence. This project has been rolled out. We are being very, very careful in the way we roll this out. This is an important intelligent product and we want to make sure that it is rolled out in a very pragmatic and careful way.

Mr EMERSON: My question is to Mr Scurrah. How much extra do you expect it will cost to run passenger trains because of the carbon tax?

Mr Scurrah: I thank the member for his question. No extra this year because it does not apply to this budget year. Given we were only given the details of the carbon tax on Sunday, we are still working on the modelling of exactly what impact that is.

Mr EMERSON: You are doing the analysis at the moment?

Mr Scurrah: We are.

Mr EMERSON: Mr Strachan, have you any indications how much extra it is likely to cost to run public transport because of the carbon tax?

Mr Strachan: In the fiscal year 2011-12, which is the year under consideration, it will not cost any more as a result of the carbon tax because it doesn't come in in this year, but I would assure the committee that together with our partners in Queensland Rail and with the Department of Transport and Main Roads, given the very early stages following the Prime Minister's announcement on Sunday, we are looking at that modelling now.

Mr EMERSON: The same question to Mr Stewart: have you done any analysis yet on how much extra the carbon tax will cost Queensland transporters?

Mr Stewart: The carbon policy, as you know, was released on Sunday. We had people working over the weekend to understand it. Have we done detailed modelling? No. But we do intend to do detailed modelling. Can I also add though that the policies and the work of the department from an environmental sustainability perspective are very clear. We are rolling out green taxis, we are rolling out TravelSmart programs, we are rolling out record levels of passenger transport investment, more services and more infrastructure. So, we are working very much to make sure that we have an environmentally sustainable transport system into the future.

Mr EMERSON: I appreciate you, all three gentlemen, are still looking at what the impact will be.

Ms PALASZCZUK: It was just announced on Sunday.

Mr EMERSON: All three gentlemen are still looking at it. I notice that the Victorian government today has announced that they have done the analysis. They seem to have been able to do their analysis within this time. They have indicated that the carbon tax will increase electricity costs for Victoria's public transport system by \$13 million. Mr Scurrah, given that they indicate that \$13 million extra in cost, and knowing your intimate knowledge of the Victorian system compared to Queensland, on that basis how much do you think the Queensland public transport system will cost from the carbon tax?

CHAIR: Member for Indooroopilly, you are asking for an opinion which is outside the standing orders. You can ask how much it will cost.

Mr EMERSON: The Victorian transport system is of a similar size, larger or smaller than the Queensland public transport system?

Mr Scurrah: The dynamics of the Victorian system and the Queensland system are quite different. As I answered before, we have only just gotten the details of what this carbon tax might mean so to comment on what it might cost us would be to speculate. I would prefer not to do that here. I do not think it is appropriate to speculate for the committee what may happen in the future.

Mr EMERSON: Mr Stewart, the Victorian government seems to have got its act together and done this analysis straight away, obviously concerned about the impact of the carbon tax. How far away is your analysis of the impact?

Mr Stewart: We are working with the Treasury department, we are talking to our own Treasury department who will be leading that analysis, but this is information that was released on Sunday and I can tell you at this stage we have not done that work.

Mr EMERSON: Do you expect that analysis to be completed this week or this month?

Mr Stewart: It will happen as quickly as possible to make sure that we model it very carefully and understand the implications of this new policy position.

Ms GRACE: Minister, page 2-123 of the SDS at point 6 mentions providing subsidies for fair access to public transport. How much does this government subsidise public transport?

Ms PALASZCZUK: I thank the member very much for the question. It is a very, very important question. The Queensland government has provided approximately \$445 million in 2010-11 for transport concessions. Of this, approximately \$364 million has been provided from the Department of Transport and Main Roads. Concessions are provided for public transport, taxi subsidies, school transport and vehicle and recreational ship registrations. The Queensland government spent approximately \$330 million in 2010-11 on bus, rail and ferry concessions, school transport assistance for students as well as subsidised taxi travel. Of this approximately \$284 million has been provided by the Department of Transport and Main Roads. Public transport concessions include Commonwealth funding of \$4 million for public transport concessions for out-of-state Seniors Card holders; \$173 million in assistance towards the cost of school travel for eligible students under the School Transport Assistance Scheme, including over \$33 million provided by the Department of Education and Training for students with a disability; \$86.3 million to the TransLink transit authority for concessions in South-East Queensland; \$26.3 million and other concessions including over \$15 million in subsidies for the Taxi Subsidy Team for more than 49,000 members and \$36 million for rail concessions funded by the Department of Communities.

As you can see, the government is very, very committed to providing concessions for a whole range of people across our transport system. In relation to registration concessions I think this is very important: overall the Department of Transport and Main Roads has spent approximately \$113 million in 2010-11 for light and heavy vehicle concessions. These include Seniors Card, pension holders and primary producers with vehicles over six tonnes who all receive a 50 per cent concession. Ex-servicepersons pay a flat rate registration fee. It also applies to charitable organisations, community service groups and also, as I just mentioned, primary producers, in particular farmers, who receive a reduced rate for registration and are exempt from paying the traffic improvement fee and/or administration fee for vehicles over 4.5 tonnes.

At this point, just because we were talking earlier about reconstruction, I think it is important to mention what we did with vehicle registration during the 2011 natural disasters early this year. What we were able to do there as part of when the floods and cyclones hit was that there was an exemption for the surcharge fee for three- or six-month registration renewable periods. There was also exemption from the fees for late payment of registration because we thought it was very important that we took into account what people had gone through and their own particular situations. There was also an exemption for replacements, of course, for licence plates which were lost during the floods as well. I think I have demonstrated to the committee that we are more than committed to making sure that we provide concessions to people for transport right across the state.

Ms van LITSENBURG: This is an issue that is dear to the hearts of people in my electorate. Can you provide an update on the work that is being undertaken on the Moreton Bay Rail Link?

Ms PALASZCZUK: I know how important this is to your area. Within the first couple of months of being appointed Minister for Transport, I had the opportunity to see exactly where the Moreton Bay Rail Link will go. It is very important that we have had that corridor preserved for many years, which means that it is going to be quite quick to build, which is great news. We know the projections. There are more and more people moving to that side of the city. We are going to see a new rail line constructed there, including six new rail stations at Kallangur, Murrumba Downs, Mango Hill, Rothwell and Kippa-Ring, to name a few. As I said in my opening statement, this \$1.147 billion project is funded by the Commonwealth, the state and the council. It is a great example of all three tiers of government working together to deliver a vital piece of infrastructure. The Australian government is contributing \$742 million, the Queensland government \$300 million and the local Moreton Bay Regional Council \$105 million.

Recently, a stakeholder meeting was held for anybody who was interested in being part of the project build and design, so they could hear all about the project. The director-general helped convene that meeting. There was enormous enthusiasm and excitement from industry. The whole room was completely booked out. Probably there was not even standing room, because there were so much interest in this exciting project. It is going to be great for the region. It is going to mean fewer vehicles on our roads, because people will have the opportunity to use public transport. I am very excited by this project. It is a vital link.

In my area we have seen progress on the south-west corridor with the Darra-Springfield railway line. So far we have made it out to Richlands. Basically, a duplication of what is happening in the south-west corridor will occur on the northern side of Brisbane out to Redcliffe. As the member is well aware, when I have been out to your electorate people have raised it with us. They never thought they would see it happen. It is on track. In this budget we have allocated \$47 million in joint funding. We have geotechnical work happening at the moment. Everybody can rest assured that things are happening, things will be going ahead and it is going to be a great project delivered by all three levels of government and it is something that the Bligh government is very, very committed to.

Ms van LITSENBURG: Regarding the planning for Queensland's long-term rail needs, is this government still committed to constructing the Cross River Rail project?

Ms PALASZCZUK: I would like to thank the member very much for that question. I might ask Paul Scurrah, the CEO of Queensland Rail, to elaborate here as well, because he understands the need for this project as well. This is one of the biggest public transport projects in Queensland history. Recently it was identified in the infrastructure plan that the Deputy Premier released. There is a lot of work that is happening here. There is a lot of consultation. We have an EIS due out in the next couple of months. It is something that we see as a long-term vision and a long-term solution for the south-east corner. It includes 9.8 kilometres of new underground tunnels; four new underground stations at Albert Street, Roma Street, Woolloongabba and Boggo Road; two new stations at Exhibition and Yeerongpilly; and upgraded stations at Moorooka and Rocklea.

I do not think you can imagine public transport in South-East Queensland without having a plan to provide an extra rail crossing of the Brisbane River. You cannot expect to deliver good public transport outcomes without supporting the construction of this project. We have had to delay the project for two years because of the impacts of the floods. I think everybody realises that our priority had to be getting the rail networks up and running and making sure that we are continuing with the infrastructure plans we have on foot.

But Infrastructure Australia recognises that this is an important project. We recognise that this is an important project. We recognise that it is important for the outlying communities, our regional areas out of the Brisbane city, that will help provide that thoroughfare. I would ask Paul Scurrah if he would like to make a few brief comments about the Cross River Rail project.

Mr Scurrah: Thank you, Minister. Actually, I cannot add much to what the minister has said, other than to say that the people of Queensland Rail and the customer base of Queensland Rail look forward to the implementation and construction of the Cross River Rail tunnel. We look forward to managing the capacity increases and the demand increases on the network between now and its implementation. As we have demonstrated through the successful implementation of the new timetable stage 1, we can add capacity to the current network. The timetable stage 1 allowed us to add 26 per cent capacity in the am and pm peak for the Ipswich and Caboolture lines. As the minister announced, we will be doing the rest of the network starting later this year. We look forward to delivering a similar result.

Ms van LITSENBURG: Can the minister also provide the committee with an update on the Gold Coast Rapid Transit system?

Ms PALASZCZUK: Absolutely. I think the Gold Coast Rapid Transit project is one of the most exciting we have going in Queensland. It is the first light-rail project in a regional city and it is being built on the Gold Coast. Recently I had the fortune to sign off on the final documents for that project. The

Gold Coast will benefit immensely from this project. The \$1.19 billion Gold Coast Rapid Transit project will be jointly funded by the state government, federal government and Gold Coast City Council. It will be the single most important piece of transport infrastructure ever undertaken on the Gold Coast.

In April this year, we appointed the contractor to build the first part of the track next year. The project, a Queensland first, will be integral to ensuring that the Gold Coast can support a population of around 800,000 by 2030. Along with providing locals and tourists with a reliable, affordable and safe alternative to car travel, it will generate a number of benefits for the city, including reducing local greenhouse gas emissions by about 114,000 tonnes over the first 10 years of operation, reducing the number of private vehicle trips by up to 10 per cent and contributing to a fully integrated public transport system for the Gold Coast.

The director-general, Dave Stewart, mentioned to me that recently we had some representatives from the Commonwealth Games committee here, in relation to our bid for the games. They were very impressed with the transport project that we have for the Gold Coast. The Gold Coast rapid light rail will be up and running by 2014. That is not very long away. It is going to transform the Gold Coast, from Southport all the way down to Broadbeach. At the moment we are doing some planning studies about whether or not we continue with light rail or heavy rail down to Coolangatta.

I want to remind the committee that it was very unfortunate that on 21 February 1964 a former National Party government made a very bold decision, which was to rip up the track to Southport. Today, it is the Labor government that is rebuilding, that is putting the infrastructure in place and that is making sure we have the necessary infrastructure for the future. I want to remind the committee of the fact that in days gone by, when we thought everybody was going onto road, that decision was made. There were protests about it at the time. People protested the fact that the National Party government was ripping up that track. I think if they had their time again and they could see the future, they would say, 'We definitely made the wrong decision.'

Ms van LITSENBURG: Minister, I refer to this government's commitment to green transport systems. Can you provide an update on the progress of the Darra-Springfield transport corridor project? Also, what value is it going to add?

Ms PALASZCZUK: As I said in my opening statement and mentioned in part of my answer to your previous question, the link from Darra to Springfield is crucial. This is about growth in the south-west corridor. I can remember that years and years ago, when I was growing up in Durack, there were no suburbs called Forest Lake or Springfield. I lived in the outer rim of Brisbane City. Now we have seen a huge growth in that corridor and we see a government planning for the future. I never envisaged that in my lifetime I would see a brand-new train station built at Richlands. We have a state-of-the-art train station there and now we have a track that is continuing—it is almost at the Logan interchange now—out to Springfield. There will be a new train station at Springfield Lakes and a new train station at Springfield. With this project we have earmarked an area called Ellen Grove, so when that area develops in the future we will be able to put a train station there as well.

This is about planning for the future. It is about catering for the growth in our suburbs. It is about infrastructure and giving people a choice. With the brand-new Richlands train station, we have been able to put in 650 extra car parks so that people can park at the train station, hop on the train and have the convenience of going into the city or wherever they have to go for work.

Also, we have been encouraging people to get on to public transport. Community members have raised with the local member, Jo-Ann Miller, the need to have a bus that goes from Springfield down to Richlands station. If you get people using public transport now, when the train line becomes operational in the future the choice is going to be so much easier. You will naturally switch straight onto the train network.

I might ask Peter Strachan, the CEO of TransLink, to update the committee. I know that we have had the consultations, Peter, but how is that going with the proposed bus route? Is it looking viable at this stage?

Mr Strachan: I think it is. We have done extensive community consultation following the announcement that you made about asking the community to give their views. Not surprisingly, when you ask the community, 'Would you like a new service?', the community resoundingly says yes and you get a very strong positive response. Now we are at the detailed planning stage. I would hope to be in a position to supply those services later in 2011.

Mr EMERSON: To the minister, on the carbon tax: while I appreciate that Mr Scurrah, Mr Strachan and Mr Stewart have all indicated that they have not completed any analysis of the impact of the carbon tax, other states have indicated already that it is going to cost substantially more for their public transport systems. Will you pass on the costs in ticket prices?

Ms PALASZCZUK: I think we need to be very clear, as the member questioned the director-general and the two CEOs present today: the carbon price policy was announced just on Sunday evening. What I can tell the committee is that a full CityCat takes 138 vehicles off the road. That is reducing greenhouse gas emissions and reducing our carbon footprint. A full bus takes 54 cars off the

road, once again reducing our carbon footprint. With rail, every time we have a full three-carriage set we are taking 300 vehicles off the road. The biggest impact that we can make in reducing our carbon footprint is to actually use public transport. As the Prime Minister announced on Sunday evening, a package has been put in place for households to cope with the carbon price.

I think it has been very disappointing. A former leader of the Liberal Party, Malcolm Turnbull, was supportive of an emissions trading scheme. An emissions trading scheme is not something new or unique to Australia. This is happening in other countries right across the globe. So one minute the Liberal Party supports action on climate change and the next minute it does not. Member for Indooroopilly, I thought you, as an economist, would understand that we all need to do something to reduce our greenhouse gas emissions.

Mr EMERSON: Thank you, Minister, but the question I asked was: will you pass on the cost of the carbon tax in ticket prices?

Ms PALASZCZUK: We have a clear ticket price system set out over the next five years. In relation to your question, we do not know the details of the impact of the carbon price in relation to public transport. Everybody knows that we need to do some modelling on it. We need to take it into account, but, as I have said to you previously, the Prime Minister announced a package to householders to take into account the impacts of the carbon price.

CHAIR: Member for Indooroopilly, I have been quite generous in allowing you to ask these questions. Given that, by definition, the carbon tax cannot impact the budget appropriations that the committee is currently considering, if you focus on the appropriations the committee is deliberating on that will be of great assistance.

Mr EMERSON: Thank you. I have a question on a different topic and to Mr Stewart. I understand that the current manufacturer of Queensland licence plates has sold his business to a German company, Utsch. Earlier this week—about two days ago—the two former Egyptian ministers were found guilty of corruption regarding details in terms of the issuing of contracts to Utsch. I can table the media clipping about that.

CHAIR: So you are tabling it?

Mr EMERSON: Yes.

CHAIR: Can you just describe this document? It does not actually have a—

Mr EMERSON: It is a media clipping.

CHAIR: It seems to be a media report from a website called is monstersandcritics.com. I have never heard of it.

Mr EMERSON: It is a website from Egypt.

CHAIR: So it is an Egyptian news website?

Mr EMERSON: That is exactly right.

CHAIR: I was trying to identify it.

Mr EMERSON: As I said, Mr Stewart, the Egyptian ministers have been found guilty of corruption related to the issuing of the contract. From your nodding you seem to be aware of this situation. I ask: are you concerned about that contract for the manufacture of licence plates going to this company?

Mr Stewart: Thank you again for the question. Yes, I am aware of the proposed sale. I am not aware of this particular media release, but I am aware of allegations that have been made. I tell you again that this is a very important contract with the Queensland government. Our legal services group at the moment are reviewing the contractual obligations and whether, in fact, that contract can automatically be transferred to a new owner. Can I just take the time to have a quick look at this?

Mr EMERSON: Certainly.

Mr Stewart: This is very similar to information that has been made available to us. Our lawyers are certainly looking at this issue. It is interesting to know that it is not only an issue for Queensland; it is an issue for most of this country and New Zealand because Licences actually supply numberplates across this country. We certainly take this issue seriously as we do with all of our vendors and suppliers. I must say that Licences as a company pre this takeover has been a very, very solid company. They have performed exceptionally well. Their operations are at Sumner and they are very, very innovative in the delivery of their product. We do take this issue very seriously. As I said, our lawyers are looking at it. We have not formed a view, but we are certainly looking at it.

Mr EMERSON: I make that point, too, that there is no reference at all to the previous or current supplier; it is just regarding the potential supplier.

Mr Stewart: I agree.

Mr EMERSON: My next question is to Mr Strachan. I refer to the latest TransLink tracker. That tracker shows a fairly dramatic rise in the number of customer complaints—facing a more than 25 per cent increase from the previous quarter. Why did that occur?

Mr Strachan: I am glad you have raised the TransLink tracker because this is one of the innovations that we put in place during 2009. When you look across Australia, the various administrations have a number of different forms of customer reporting. We believe that this is elite customer indication reporting. It is a very comprehensive dossier and it is a very open and transparent way of communicating to our customers and stakeholders exactly what is going on in the TransLink network.

In terms of customer satisfaction, we do a quarterly customer satisfaction survey. Over the past two years that has tracked upwards from around 68 per cent to around 70 per cent customer satisfaction. When you look across the different administrations in Australia, that is particularly high, particularly given comparisons, as we were talking about before, with Victoria and with New South Wales. In overall terms, our customers are satisfied. We absolutely welcome customer feedback. We have a 24/7 call centre. We have a very strong customer processing unit and that is something that we take particularly seriously.

When you look at the numbers in overall terms, I think that, in comparison with the 182 million trips that we have on the TransLink network every year, the number of people who have a comment to make or a complaint about our service is remarkably small. I go back to the overall package of numbers; the customer satisfaction levels are high. We will continue to work at that and we will continue to be open and transparent through the TransLink tracker in publishing those numbers.

Mr EMERSON: I refer back to that question I asked. Why was there more than a 25 per cent increase from the previous quarter in the number of customer complaints?

Mr Strachan: If you look at the quarter 3 in the tracker, one of the key things that we have made very clear in that tracker document is the impact on the public transport network from flooding. I talked before at some length following the minister's introduction about the restoration of work that we did on the flooding. What I did not talk about before was the fact that for a number of weeks we had a complete absence of CityCat and city ferry terminals. I am really pleased to see those services back up and running. I used the CityCat this morning to come into work, as I do on a number of occasions. It is really good to see the customers appreciating that and it coming back to work.

Mr EMERSON: I appreciate that and I appreciate that, for quite some time, services were not running. However, these figures relate to 10,000 trips. So whether they were running or not is irrelevant because this relates to the number of trips. The complaints have gone up by 25 per cent between quarters based on trips. It is not a raw number, it is based on how many trips. Why have the complaints gone up 25 per cent between quarters?

Mr Strachan: As I said before, there is a number of factors to do with that. We are looking at the quarter 3 comparison against the quarter 2 comparison. There was a lot of dislocation in the network. There was a lot of different journey patterns. There was a lot of people asking different questions about the network. I would fully appreciate in those circumstances going back to what I said before about the website and the number of hits that we had on the website. People were asking for things and making representations to the call centre and to our customer communication. I think what we should do is be very clear about the circumstances that we found ourselves in during that period. I say again: look at the overall satisfaction levels. Those have risen markedly and statistically significantly in the last two years to around 70 per cent.

Mr EMERSON: As a number, how many requests are you receiving per month or per every three quarters for an adjustment when there is an incorrect fare or a fixed fare is imposed?

Mr Strachan: Thank you for the question. That does point to where we have been in terms of the reliability of the go card network. The go card network is one of Australia's, if not the world's, most advanced smart card systems. Where we have been over the last two years is from a position of rolling out the go card. We are now at 80 per cent penetration of the go card in the South-East Queensland market. If we look at the comparison with where Perth's SmartRider is as a product that was there about 18 months before ours, the current penetration of Perth's SmartRider is about 70 per cent. The minister and I were in Melbourne—

Ms PALASZCZUK: That is right, recently.

Mr Strachan:—two weeks ago and we were looking at the myki system. The myki system, with a cost that is reported of around \$1.35 billion to roll out, is currently 18 months into its currency and is now at 20 per cent market penetration. It was really very heartening to see last year that the Tourism and Transport Forum of Australia—Australia's peak body in representing tourism and transport advocacy—said that the go card system in South-East Queensland is the top smart card system in Australia. But it is not just about Australia; obviously, given my background, I am very interested in what is happening elsewhere in the world. The London Oyster card system is currently at 80 per cent penetration—so

around the same penetration as the go card system. That is a much more mature product. So by any stretch of the imagination, go card is a very strong system. In terms of adjustments, which I think goes back to your previous question, there is a number of ways—

Mr EMERSON: It is my current question actually. It has just been a long time since you got around to answering it.

Mr Strachan: There is a number of ways that a customer can request an adjustment. They can ring the TransLink call centre at any time—and, as I said before, that is open on a 24/7 basis—on 131230, and I am sure we all have that number very clear in our head. Our online adjustments now account for around 26 per cent of all adjustments. So you can do it online as well. That is an innovation that we put in place, too.

What we are trying to do is to make sure that we process those adjustments as quickly as we possibly can. Most of them are now being actioned in around 48 hours. So that is really good news. I have to say that what we did last week following the very difficult dislocation that we had at Roma Street on Thursday was to say, 'Let's do a blanket adjustment right across the piece,' because we knew our customers would have difficulty in either touching on or touching off. That was very well received by the customers.

What we have got is a mature system and a system that works extremely well. If you go back to the tracker that you raised before, you will have seen that one of the highest satisfaction levels in the customer satisfaction survey is on the ease of using the go card. In overall terms it is a very good system.

Mr EMERSON: It has been a long time since I asked that question. So I will just clarify it because you did not quite answer the question I asked. The question I asked was: how many requests do you receive for an adjustment?

Mr Strachan: If you want some absolute hard numbers—

Mr EMERSON: Yes, please.

Mr Strachan:—in the financial year from July 2010 to April 2011 inclusive—so that is the last period that we have gone back—the number of go card transactions that we had was 102,454,850. The number of go card adjustments that were asked for during that period was 43,240. My mental arithmetic is not quick enough to do that. I am pleased that we have worked that out previously. So the percentage of adjustments is 0.042 per cent.

Mr EMERSON: Again, I am sorry, Mr Strachan, maybe you are not understanding the subtlety of my question. I asked for the number of requests for an adjustment, not adjustments that occurred. How many people contacted TransLink and asked for an adjustment? It is not how many you do; how many ask for an adjustment?

Mr Strachan: Okay. I understand the question you are asking. I think what we are trying to do is to put it in the context of how many go card adjustments—

Mr EMERSON: You have had ample opportunity to put it into context. I am just asking for that simple number.

CHAIR: Member for Indooroopilly, it might help if we can wind up the question fairly succinctly if we can.

Mr Strachan: In terms of the overall number of requests, we do not record overall requests. What we do record is the adjustments that we actually make.

Mr EMERSON: All right then. You do not record how many requests are made. How many requests do you reject? So people ring up and say, 'I think there is a fault there. I have been unfairly charged the wrong fare or a fixed fare. I want it changed.' How many people do you say no to?

Mr Strachan: What I can tell you is the number of adjustments that we make, and I am happy to go back—

Mr EMERSON: You have spoken at length about that. What I am asking for is how many people, when they ring up, you say no to? Maybe you can clarify. You do not keep those figures; is that right?

Mr Strachan: I have been clear in the answer to the previous question that we do not record the number of overall requests, but what I can tell you is the number of adjustments, and they are the numbers that I went through before.

Mr EMERSON: Why do you not record how many people ring up and ask for a request and how many you knock back? That would seem to be a fairly straightforward process. You would get a sense of how many people feel aggrieved about the fare.

Ms PALASZCZUK: Chair, he has answered the question.

CHAIR: We have a different question here about the reasons why you make the decision to record or not record. That is the question.

Mr Strachan: I am happy to answer that question. What we have within Cubic Transportation Systems, which delivers the go card, is a number of indicators that tell us exactly how the system is performing. We know exactly how many of the on bus machines are operating at any one time. We know exactly how many of the rail based systems are operating at any one time. That is the key indicator to us as to the system performance and that is what we hold Cubic Transportation Systems to account. We are interested in, of course, the number of adjustments that we actually make because that is the reaction that we have with the customers. My professional advice to the committee is that we are getting sufficient data about the performance of the system from the way that we have the contract structured with Cubic right now.

Mr EMERSON: What reasons would you give someone to knock back their request for an adjustment?

Mr Strachan: I think the illustration that I gave earlier on. What we have done since we increased the nominal fare last month in terms of making sure that we are addressing fare evasion—I think this is a very important issue. We had recorded the fact that we had around \$18 million of our revenue potentially leaking from the system by people either not paying the right fare or not paying any fare at all. We have put a number of measures in place to make sure we address that. For instance, we have closed down the barriers at Central Station, Roma Street and Fortitude Valley and now we have rolled that out to those stations on the Gold Coast that had barriers. That has had an immediate effect on capturing revenue leakage, and we believe that we have recovered already around \$4 million of that \$18 million. We have also deployed senior network officers. We now have 22 of those on and about the system to provide customer service as well. So the most important thing that we have done recently is make sure that the nominal fare—that is, the fare people get charged if they do not operate the system effectively and do not touch off after they have touched on—has risen on the bus to \$5 and on the train to \$10. That has had an immediate effect that is starting to address that revenue leakage.

What we have said very clearly to customers, either through the website or when they ring up, is that we are going to make sure that people have an opportunity to use the system effectively. We are going to give people a fair go and an opportunity to say, 'I did the wrong thing.' I dealt with a letter from a customer just last week who said, 'I have had an awful journey. I am really sorry. I failed to touch on at the front of the journey and it had a cumulative effect all the way through.' That poor individual had actually wracked up I think it was six or seven nominal fares on the way through. We said, 'That is absolutely fine.' We looked back at that individual's go card record and they had not made a mistake before and we gave them their money back. Our policy very clearly is to make sure that we do the right thing by the customer. But I think we have to recognise, as we have seen from time to time and from the reports from the senior network officers, that people do do the wrong thing deliberately to try to defraud the system and try to make sure that the burden is placed on both government and their fellow travellers. If somebody rings up, we will look at it on its merits and we will make the adjustment accordingly.

Mr EMERSON: You said that you will look at it on its merits. If someone asks for an adjustment and it is done, is there a period from that adjustment before they can successfully request another adjustment?

Mr Strachan: Our policy is clear on that. I go back to the instance that I talked about before with the gentleman who contacted me. He did six or seven different things wrongly in the system on one day and we said, 'That is absolutely fine. Have your money back.' We are not in a position of saying that if you get it wrong then there is a time lapse or anything of that nature.

What I would say is this: what we do know from the various patterns that we see of go card usage is that the system is reasonably sophisticated enough to tell us when somebody is persistently doing the wrong thing. That is the pattern of behaviour that we saw from some of our passengers on the Gold Coast before we raised the nominal fare to \$10 on the train and before we put those barriers in place at places like Helensvale, Robina, Coomera and so on. If we find that somebody is persistently getting it wrong then we will intercept them with the senior network officers or Paul's TransLink transit officers and ask them why they are not using the go card effectively.

CHAIR: One last question.

Mr EMERSON: Minister, we have heard today about an internal audit where car park spaces went missing, where FBT money was not reclaimed, where there was no investigation of fraud. We have heard about the driver's licence with cost blow-outs and projects running over time. Your predecessor indicated last year that transport bureaucrats' salaries would be linked to their performance. Has that occurred?

Ms PALASZCZUK: I am sorry, I do not understand. Can you repeat the question?

Mr EMERSON: Your predecessor said that transport bureaucrats' salaries would be linked to their performance. Given that we have heard today about waste of taxpayers' money on car park spaces disappearing, passes not being accounted for—

Ms PALASZCZUK: No. There was an audit report that was done. These are your assumptions.

Mr EMERSON: Sorry—the audit indicated that car park spaces had disappeared.

CHAIR: Member for Indooroopilly, rather than making assertions—

Mr EMERSON: I am quoting—

CHAIR:—particularly controversial assertions, it might be best if you ask the question. I think the minister had a—

Ms PALASZCZUK: Clarification.

CHAIR:—question about your question about performance rate of pay. If we can just ask the question, we can then get on with the answer.

Mr EMERSON: The question is: has anyone lost pay or been demoted or sacked over the driver's licence debacle or the car park debacle?

Ms PALASZCZUK: I do not have that information for you at the moment. I am happy to find out for you. I think we need to clarify some things to start with, because I think you are actually making assumptions that are not factually correct. In relation to the car-parking issue, I made it very clear that it is the responsibility of the Minister for Main Roads, and the director-general has given extensive answers today to this committee about the actions that he has taken and that the recommendations are being followed up. That is the first point. The second point is that you raised the issue of the new Queensland driver's licence. You did not direct any questions to me about that. You directed the questions to the director-general.

Mr EMERSON: Here is your chance to have a question, Minister. Has anyone been demoted over that debacle?

Ms PALASZCZUK: No, listen—

CHAIR: Member for Indooroopilly, if you are going to put in your question a whole lot of assertions, the minister has a fair chance to respond to those assertions.

Ms PALASZCZUK: That is right. I have a right of reply and I am answering your question. The new Queensland driver's licence, as it says in the Auditor-General's report, is on track. It is on track and is being delivered. As of today, I understand there are approximately 86,000 new Queensland driver's licences out there. When I travel around the state—I have been to the Southport customer service centre, I have been to the Toowoomba customer service centre, I have been up to Atherton, I have been to the Mareeba customer service centre, I have been to the Cairns customer service centre—everybody is getting prepared for the new Queensland driver's licence. It is on track.

It is protecting against identity fraud and it is the most secure driving licence in Australia. South Australia and Western Australia have come to Queensland to look at our new Queensland driver's licence. The Auditor-General has said it is on track and is being delivered. I have met with the Auditor-General in relation to the new Queensland driver's licence. I have met with the independent auditors KPMG in relation to the new Queensland driver's licence. I am confident that it will be rolled out to all of our customer service centres by the end of the year. It is not right for you to criticise a product that is deliverable, that is taking us out of the 1970s and bringing us into the 21st century.

Mr EMERSON: Minister, can I suggest it is always appropriate to raise concerns of waste and debacles in terms of blunders in terms of delivery. As this Auditor-General's report indicated, that occurred.

CHAIR: Member for Indooroopilly, you have asked a question—

Ms PALASZCZUK: The Auditor-General's report says it is on track to be delivered.

CHAIR: Sorry, Minister. Member for Indooroopilly, you have asked a question—

Mr EMERSON: I did not finish.

CHAIR: You asked a question and then you are going on to make a statement. Minister, the member for Indooroopilly asked a question about a concern about debacles, I think.

Mr EMERSON: I will just clarify that.

Ms PALASZCZUK: And I reject that assertion. I reject that. It is clearly budgeted for.

Mr EMERSON: The Auditor-General has indicated that this project is over cost and two years late.

Ms PALASZCZUK: It is on track to be delivered.

Mr EMERSON: It is now—

Ms PALASZCZUK: We are delivering a secure driver's licence.

Mr EMERSON:—after it was meant to be delivered two years ago and for a lot less money.

CHAIR: Member for Indooroopilly, this is not a debate. Let's move on. I am going to ask the next question about road safety. Minister, I refer you to the Service Delivery Statements at page 2-121 and particularly point 9, which talks about the road safety initiatives contained in the budget. Can you update the committee on what your department and the government are doing to promote road safety in Queensland?

Ms PALASZCZUK: I would like to thank the chair very much for that question because road safety is one of my No. 1 priorities. What we have seen over recent years is the decline in our road toll, but I still firmly believe that one death on our road is one too many. We are doing everything we can to continue this long-term trend downwards in Queensland and we are doing everything we can to save lives. We have had many additions to our road safety program over the years such as the introduction of random breath testing; speed cameras; steady improvements of vehicle safety features; major public education campaigns, which are just vital; young driver safety initiatives, which are working; major public education campaigns; and improvements to our road network, which I am quite sure the Minister for Main Roads outlined to the committee earlier today in detail.

The number of fatalities decreased for most road user groups and crash characteristics and behaviours in 2010. The most significant decreases in fatalities during 2010 compared with 2009 were among young driver and rider crashes, speed, fatigue and dangerous driving related crashes. The greatest contributors to road trauma in Queensland continue to be speeding, drink driving, fatigue and, unfortunately, people failing to wear a seatbelt. The Safer Roads Sooner program comprises works that are aimed at improving the safety of high-crash-risk locations on our state and national road networks.

In the few minutes that we have left, I want to highlight to the committee some of the major campaigns that were run over the last financial year. They include the very successful 'Here for Life' campaign. This overarching brand campaign ran over Christmas and ran again during the Easter public holiday period. We have had a campaign on drink driving. The new campaign, 'Think before you drink. Think twice before you drive', was launched prior to Christmas 2010 and ran again over the Easter period. Our speeding campaign, 'Slow down stupid', ran again during the Christmas period and it is planned to run again before the end of the financial year. There is a campaign against fatigue. Also, there is a motorcycle safety campaign, which I think is very important. Many people would have seen those ads that have run recently about motorcycle safety. It is very, very important to help reduce the number of fatalities on our roads.

Of course people would be aware that just recently, from 1 July, our new middle-range alcohol limit came in. There has been an advertising campaign also to make sure that people are aware of it. We just want to get a message out there to people to think seriously before you drink. We want to reduce the number of fatalities on our roads and we want to make sure that people return home safely to their loved ones and are not involved in road trauma.

CHAIR: Minister, the Service Delivery Statements mention some stabilisation works on the Kuranda Range rail. Are you able to tell the committee what is occurring on that track?

Ms PALASZCZUK: Sure. The Kuranda Scenic Railway is one of the top tourist attractions in Far North Queensland. I was very delighted to join the CEO of Queensland Rail, Paul Scurrah, up there recently and also to meet with all of the staff. They have celebrated their 120th anniversary. So well done to the team up there! It was lovely to meet Neville, who has worked up there at the Kuranda Railway Station for a number of years now. I also met someone who had worked there for about 50 years and had returned with his family on the day, so that was great.

Also, the Kuranda railway was impacted of course during the wet season with the cyclones. Again, Queensland Rail did a remarkable job in fixing up that track. We have also seen following on from that some stabilisation projects there. We are investing some money to make sure that in the future we know if there is any problem with the rocks and everything. As you can appreciate, the railway goes up a lot of high terrain. It is vital that we keep that iconic scenic railway open. So the work that Queensland Rail has done up there has been great, and it was great to celebrate their 120th anniversary. It was a great opportunity to meet with the staff and also the workers in Cairns who have played a role in making sure that tourists are coming back to the scenic railway and spending their money in Queensland following the summer that we have had.

CHAIR: Thanks, Minister. Can I ask also about money allocated for the Cairns city bus station in this year's budget. Can you advise the committee on the progress of the Cairns city bus station project?

Ms PALASZCZUK: Sure. Briefly, I want to raise with the committee that we have been able to allocate \$36 million for the Cairns City Place project. I was able to visit the site of the mall where the new bus transit lane will happen. This is about the government planning for the future. It is also about working closely with council to identify the best location for this bus network. A lot of planning is happening for the future growth of Cairns. We are looking at the different bus routes, but this will revitalise the CBD. It was great to go there with one of the councillors just recently to have a look at where the new project will be located. I would like to thank the team at the department of transport,

especially Natalie's team in relation to the planning of this project. It is very exciting. It is very well received. It is \$36 million which will be very well spent—\$12 million over the next financial year and the remaining in the forthcoming year.

CHAIR: I have one last question. On page 2-118 of the Service Delivery Statements there is a reference to inclusive transport services. Minister, can you inform the committee what measures are contained in the budget to assist some of the most remote and regional Queensland communities?

Ms PALASZCZUK: I think that touches on briefly what I mentioned in my opening statement about our regional airport upgrades, which are very important. As I also said, transport is for the whole of the state. A lot of the time because we are located here in the south-east corner we tend to focus on what is happening down here, but I have made a commitment as minister to get out to the regions as much as possible.

It was great to go up to Innisfail recently to see the resealing of that runway. That means that Hercules aircraft are now able to land and it was very well received. I went there with the mayor. Also, at Atherton the Royal Flying Doctor Service will be able to utilise an upgrade of the track out to the runway which now means that in heavy rain, if there are issues with the airport, passengers can now be ferried right through to where they need to be transported to the ambulance and they do not need to wait on the runway and be taken. This is a project which we are dedicated to. There will be more upgrades over the coming year. I am looking forward to getting out to more parts of regional and remote Queensland to deliver this good news.

Ms GRACE: Minister, point 19 at page 2-119 of the SDS mentions the delivery of cycleway projects, which I might add are very important to a lot of constituents in Brisbane Central and South-East Queensland. Can you inform the committee of the commitment that this budget makes to cycling infrastructure in Queensland?

Ms PALASZCZUK: I would like to give a brief update about cycleways. I think our program for cycleways in Queensland is terrific because we are basically doubling our commitment from the previous financial year. I also had the pleasure of opening the new cycleway in Cairns recently with the mayor, Val Schier, and the local member for Barron River, Steve Wettenhall. I must say that I was very pleased to ride on the 6.1 kilometres of that cycleway. It is great and it will be part of a future infrastructure project for cycleways in that Cairns region. This is just stage 1; we will not rest on our laurels and say that that is it. Even in South-East Queensland, we are seeing more and more people turning to cycling as a mode of transport. Once again, they are not using their vehicles and they are reducing their carbon footprint. The department has a very clear vision of where we will build these cycleways, and there is so much money.

I will give a few examples of what is happening. The Queensland Transport Roads Investment Program for 2011-12 to 2014-15 includes \$36 million in 2011-12 for 22 dedicated cycling projects as part of the state's commitment to completing the principal cycle network. Projects being delivered by the department include: \$3 million for onroad cycle lanes on Anzac Avenue from North Lakes to Rothwell Park, and I know the member for Redcliffe will be happy with that because some of her constituents will utilise that; \$4.7 million for three projects on David Low Way; and \$2.1 million for cycling connections on the Gold Coast state controlled network. The government is also working with councils in South-East Queensland to jointly deliver 25 cycling infrastructure projects on local roads, including \$12.3 million for grants matched by equal funding.

Significant investments also made in cycling as part of transport projects through the department's cycling infrastructure policy ensure that provision of the principal cycle network is included within the scope of works. The department has also committed \$9.5 million over five years for cycling safety, which is very important, and \$13.9 million for pedestrian safety with the aim of reducing bicycle and pedestrian crashes and improving access for people using these modes.

The other exciting thing we have coming up in Queensland over the coming months is the Asia-Pacific Cycle Congress. I know that Mark Cridland, the deputy director-general, and Dave Stewart are very passionate about this and I had a briefing on it the other day. It will see cyclists and planners from right across the region coming here to look at our cycleways. I will ask Mark Cridland to give us a brief overview of the Cycle Congress.

Mr Cridland: Thank you, Minister. The inaugural Asia-Pacific Cycle Congress will be held in Brisbane from 18 to 21 September. It will be held in conjunction with the Bike and Lifestyle Show, which is currently on in Sydney, and Bicycle Queensland's Cycle Queensland events so there will be three important cycling events on at the same time. We will have some great people turning up. Phil Anderson, the first ever Australian to wear the yellow jersey in the Tour de France, will be there, as will Sara Carrigan, an Olympic gold medallist, and Chris Scott, a Paralympic gold medallist. We will have keynote speakers from the UK, the US and the Asia-Pacific area. Researchers, cycling enthusiasts, they will all be there. We have great sponsorship partners in the Brisbane City Council, the Sunshine Coast Regional Council and the Gold Coast City Council.

Mr EMERSON: We hope that Cadel Evans will wear the yellow jersey tonight in the Tour de France.

Ms PALASZCZUK: Let us hope so. We will even invite you to the Asia-Pacific Cycle Congress.

Mr EMERSON: You are too kind.

Ms GRACE: I know how successful the Royal Brisbane Hospital cycle centre is too, which is right in the heart of my electorate; it is going from strength to strength. Engaging the community and stakeholders about transport systems is also important. Can you please advise the committee what efforts will be undertaken during the 2011-12 period to further improve public transport, as this is so important particularly for the south-east corner?

Ms PALASZCZUK: As I said in my opening statement, I believe that transport is fundamentally about people and you need to connect people with their communities and their families. In relation to public transport, we need to hear what people are thinking on the ground. One of the first things I did as minister was state quite clearly that I wanted public transport champions out there. I now convene a Public Transport Advisory Group. I am the chair and I invited Peter Strachan and Paul Scurrah to attend. We now have community champions right across South-East Queensland who also attend these meetings, along with representatives from, for example, RAIL—Back on Track, our disability groups and our ageing groups.

This is an opportunity for people to be a champion in their local area. It is an opportunity for them to seek out the issues they are hearing out there from people about where they would like to see some improvements. They not only have direct access to me as the elected representative and the minister but they have the opportunity to hear what is happening with TransLink and our go card.

Peter Strachan today gave some great outlines on how successful the go card has been. We now have 80 per cent of people using our go card compared with 60 per cent in the previous year. We were down in Melbourne recently looking at the myki system. There is only a 20 per cent take-up of the myki; there is no comparison. They are operating down there on a dual system—the Metcard and the myki card—and that is confusing for customers.

Over the coming months, we will continue to meet with that Public Transport Advisory Group. I have asked the members to go out there and come back and tell me what they think their top three issues are, and then we will sit down and look at some go card enhancements. We always want to see what we can do better, and one thing I am definitely committed to is looking at go card enhancements. We cannot sit back and say that 80 per cent is good enough; we want to get that up to 90 per cent or even higher. Like Peter said today, we are up there with the London Oyster card. I want to make sure that we have the world's best public transport system here—not only in Queensland, not only in Australia but in the world. TransLink is the largest integrated ticketing system. It covers 10,000 square kilometres. We were recently able to hand out the two millionth go card to a lovely couple in Post Office Square. It was great to present them with the two millionth go card. They have been great supporters of the go card.

We will continue to strive for all that we can do to improve our public transport system and that means listening to customers, listening to the people who use public transport each and every day. It is about encouraging people who may not use public transport all the time. I would say to those people that the next time there is a game of footy or a game of cricket on they should catch public transport and give it a go because they will be happy.

CHAIR: Thank you, Minister. Member for Indooroopilly, you have five minutes.

Mr EMERSON: Mr Strachan, the budget indicates public transport patronage numbers are forecast to fall from a target last year of 188 million to a target this financial year of 186.1 million. Why is the number targeted to fall?

Mr Strachan: Thank you for the question. If I may, before I answer that question, I would like to clarify something that I said earlier. I am advised that as of last week we are now recording the total number of adjustments in the TransLink call centre. We will clarify that in the next edition—

CHAIR: Sorry, is that the total number of requests for adjustments?

Mr Strachan: Yes. If I can go to the question that was asked on patronage. If you look at the 2010-11 year, the total patronage on TransLink services was 178.2 million. That consisted of bus patronage of 119.4 million, rail patronage of 54.4 million and ferry patronage of a significant 4.3 million. I think it is worth recognising that, since the TransLink brand was created in 2004, patronage on public transport has increased by more than 44 per cent, from a figure of 123 million passenger trips in 2004 to the current figure of 178.2 million in 2010-11.

The actual patronage for 2010-11 is 5.2 per cent lower, or 9.8 million trips, than the target of 188 million trips. I think there are a number of reasons for that variance. The decrease in patronage was as a direct result of the floods that we saw back in the third quarter that we talked about earlier and the

free public transport during that time, and even that was a very successful initiative. In addition to that, our Surfside Buslines collected gold coin donations on each of the Surfside buses and I am very pleased to say that raised over \$200,000 for the Premier's flood relief appeal. I congratulate those customers on the Gold Coast and Surfside Buslines for that initiative.

The other thing we have seen as a result of the growth in go cards—and as the minister just mentioned it has gone from 60 per cent this time last year to 80 per cent of penetration now—is much more accurate statistics. We are getting a much more accurate read on how many people are using the system in comparison with what we got from the old paper tickets and the multi paper ticket products. That accurate position gives us much better information to make decisions about services, such as the deployment of the additional services we have had with the 301,000 additional seats in the previous year and the 305,000 seats in the year that has just gone. That allows us to plan the network much better. We are seeing much more accurate numbers and that has enabled us to reflect a better patronage forecast and a better estimate.

Mr EMERSON: The increased fares that we have seen—20 per cent last year, 15 per cent this year—are not impacting on patronage?

Mr Strachan: Thank you for the question. I think that is an interesting question. I am sure if we had longer than the time we are allotted we could talk a lot about the Passenger Demand Forecasting Handbook, the elasticity of demand and whether the price is elastic or inelastic, but I would not want to do that with an economist sitting opposite me because I might not win that particular argument.

Mr EMERSON: Don't bet on it.

Mr Strachan: What we have seen is continued growth and continued recovery since the floods. Patronage has bounced back particularly well. That is not just about reinstating the ferries and it is not just about the additional seats we put on in the 6 June package both in rail and bus; that is the demand continuing to increase for public transport.

I go out and about a lot on the network. I was out on Friday and I was talking to our customers. I spent some time talking to a customer on the route 104, which is one of the new bus packages that we put on on 6 June running through from Corinda to the PA Hospital. This customer said, 'This is the first time I have been on a bus in five years. My car has broken down and I needed to use the bus. What a fantastic service this is. This is getting me exactly where I want to go.' So we keep seeing that demand, that latent demand, coming through. I am very pleased to report that patronage continues to grow and we have not seen any long-term impact from the floods in January.

Mr EMERSON: The question was about fares going up rather than floods. I point to the TransLink tracker where, on the issue of affordability, we have seen the fall in the last TransLink tracker quarter for both trains and buses in terms of affordability. People feel that public transport is less affordable according to this TransLink tracker.

Mr Strachan: I think you have got to look at that in the overall context of the numbers that we have in the tracker. Customer satisfaction continues to grow. I think it is worth looking at a number of comparisons with other places. Based on a public journey of up to around 10 kilometres, which makes up more than 60 per cent of the TransLink customer journeys, the TransLink adult go card fare is \$3.11, and that is exactly what I paid for my two-trip journey this morning when I came in on the CityCat. If you look at the comparisons with Melbourne—and we have talked about Victoria a bit this afternoon—the equivalent using a Metcard in Melbourne would be \$3.70. For a MyZone bus in Sydney—and, frankly, I am very confused even as a public transport professional of what the fares are in Sydney—that would be \$3.20. For SmartRider in Perth, which we talked about before, that is \$3.15. If you go to an overseas comparison, in London a one to three zone in Central London using an Oyster card is £2.90. So whatever the exchange rate is today, that is around \$4.40. I have to tell the committee that I was in the UK two weeks ago. I made a trip from Bognor Regis in Sussex to London Heathrow—that is about the equivalent of Varsity Lakes to the airport—and even allowing for the Heathrow Express, which is currently £18, that trip cost me £42 a single. So I would put it to the committee that we have very good value fares here in South-East Queensland.

CHAIR: Thank you. The time allocated for the consideration of the proposed expenditure for the organisational unit of Transport within the portfolio of the Minister for Transport and Multicultural Affairs has expired. Thank you, Minister, your officers of the department and related entities for your presence here today and assistance to the committee. The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 9 am on Monday, 18 July. The transcript of the hearing will be available on the Hansard page of the parliament's website within approximately 1½ hours. Minister, did you want to make a quick statement?

Ms PALASZCZUK: Yes, thank you very much, Chair. Can I just first of all thank the committee very much for the questioning. I think it is a great opportunity under the new system for the committee members to be able to question CEOs. I just want to reiterate that I actually believe that I have some of the best CEOs in government. I want to personally thank Dave Stewart, the Director-General; his deputy, Mark Cridland; of course the CEO of TransLink, Peter Strachan; and the CEO of Queensland

Rail, Paul Scurrah. I want to thank my personal staff led by Chris Ward and Linda Whatman for all of their hard work and my team. I also want to pay a special tribute to all of the staff of the Department of Transport and Main Roads. I think a lot of times we lose sight of how hard people actually do work in putting together estimates preparation. It takes a lot of time and effort. People have been away from their family and their loved ones and preparation has been going on for several months now. So can I please thank all of the officers of the department, officers of TransLink and Queensland Rail, and of course the committee.

CHAIR: Thank you, Minister. The committee will now break. The hearing will resume at 4.45 pm with the committee examining the proposed expenditure for the organisational unit of Local Government within the portfolio of the Deputy Premier, Attorney-General and Minister for Local Government and Special Minister of State.

Proceedings suspended from 4.17 pm to 4.44 pm

ESTIMATES—TRANSPORT, LOCAL GOVERNMENT AND INFRASTRUCTURE COMMITTEE—LOCAL GOVERNMENT

In Attendance

Hon. PT Lucas, Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State

Department of Local Government and Planning

Mr J Noye, Director-General (Acting)

Mr D Crombie, Chief Executive Officer (Acting), Growth Management Queensland

Mr G White, Government Planner, Growth Management Queensland


Mr M Kinnane, Associate Director-General, Office of Local Government

Ms M Smith, Director, Executive Services

Urban Land Development Authority

Mr P Eagles, Chief Executive Officer

Mr C Mills, Chief Financial Officer

 **CHAIR:** Good afternoon. The estimates hearing of the Transport, Local Government and Infrastructure Committee is now resumed. On behalf of the committee, I welcome to the hearing the Deputy Premier, officers of the department and related entities and members of the public. I am Evan Moorhead, the MP for Waterford and the chair of the committee. Mr David Gibson, the member for Gympie, is the deputy chair. The other committee members are Mr Emerson, the member for Indooroopilly; Ms Grace, the member for Brisbane Central, who is replacing Ms Mary-Anne O'Neill, who is ill; Dr Mark Robinson, the member for Cleveland; and Ms Lillian van Litsenburg, the member for Redcliffe.

The committee will now examine the Appropriation Bill 2011 and the estimates for the organisational unit of Local Government within the portfolio of the Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules to the extent that they apply to the estimates proceedings. The committee has also resolved that non-committee members be given leave to attend and ask questions during the hearing. The Leader of the Opposition and the member for Warrego have been granted leave to attend the hearing and ask questions.

Before we begin, I ask that mobile phones or pagers be switched off. I also should remind everyone that food and drink is not permitted in the chamber. Changes to standing orders and rules of the Legislative Assembly have removed the strict time limits for questions and answers during an estimates hearing. This will ensure that exploration of relevant issues is not artificially curtailed by the time limits and that questions on a particular issue can continue if appropriate. However, it is important that questions and answers remain relevant and succinct and I will try to ensure that both questions and answers are not interrupted. I intend to guide proceedings today so that relevant issues can be explored without imposing artificial time limits and to ensure there is an adequate opportunity to address questions from non-government and government members of the committee.

Where necessary I will remind ministers and their departmental advisors that their answer to a question should be finalised so that other issues can be examined. For the benefit of Hansard, I ask departmental officers if you are called to give an answer please state your name before speaking. I now declare the proposed expenditure for the organisational unit of Local Government open for examination. The time allocated is two hours and 30 minutes. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, the first question is from me. I refer to the SDS for the Department of Local Government and Planning at page 2-86 and ask how the strategic issues addressed in the 2011-12 budget appropriations will provide stronger local government and better planning for growth in Queensland.

Mr LUCAS: Thank you, Mr Chairman, Deputy Chairman and members. I am very pleased today to have the opportunity to discuss the 2010-11 budget allocation for the Local Government and Planning area of my portfolio. This budget outlines around \$674 million, \$450 million of which is capital

expenditure, to oversee growth management and bolster local governments in Queensland. Our population as a state is likely to reach around nine million residents by 2055. Queensland's population took 36 years between 1938 and 1974 to grow from one million to two million people. However, such has been our sustained generational growth that between 2006 and 2036 we will add another million Queenslanders every 10 years. We cannot stop people from seeking to call Queensland home, and indeed what it does is bring additional economic benefits to the state. But we must effectively manage this growth to maximise the economic opportunities and protect our way of life.

That is why on Tuesday this week the Premier and I released for consultation the Queensland Infrastructure Plan, the Queensland Regionalisation Strategy and the Bruce Highway Upgrade Strategy. These three significant plans provide a clear outline that not only set out the short- and long-term infrastructure projects and priorities needed to support the growth of our regions into the future but also set out how our regions will diversify and be supported in their ongoing contributions to the state economy. The QIP and the QRS are not just plans for investment in physical infrastructure for the people of Queensland; they are an investment in the state's future for prosperity.

The budget will progress the Bligh government's visionary plan for Queensland that will strengthen the entire state as it continues to grow. The budget includes \$4.2 million to get the ball rolling on development following the global financial crisis. In April we had the Building Revival Forum to discuss short- and medium-term measures to get the industry back on its feet with over 150 government, union and community stakeholders. Following the forum the Sustainable Planning (Housing Affordability and Infrastructure Charges Reform) Amendment Bill was passed with both sides of parliament supporting it.

High infrastructure charges that stall new projects, cost jobs and push up the price of housing in Queensland are now a thing of the past. Our overhaul of the infrastructure charging system will stimulate growth, generate jobs, improve housing affordability and provide transparency and certainty to developers and homebuyers. In addition we have allocated \$1.8 million this financial year for a major projects office that will be a one-stop shop that works with proponents to guide economically significant projects.

In the local government space we are continuing to administer funds under the ongoing joint state and federal NDRRA arrangements, with \$300 million earmarked for this program this financial year. This NDRRA funding will continue to go towards restoration of public assets that were damaged during natural disasters prior to November 2010. In addition we have introduced a Local Government Electoral Bill into parliament. This bill will consolidate the four laws currently covering council elections in Queensland into a new one-stop shop for local government elections. This bill will keep the best parts of the current systems but adds more flexibility, transparency and integrity into the voting process and is similar to the state Electoral Act.

Since 1998 we have provided \$4.4 billion to local governments in grants and subsidies to fund valuable and necessary community infrastructure. In the 2011-12 budget \$45 million is available to local governments through the new local government grants and subsidies program. Funding under this program will be targeted at councils that demonstrate limited capacity to fund priority projects without a subsidy and may be prioritised to projects in locations most affected by recent disaster events. This government is committed to planning for the future and managing growth. The department is critical to that commitment through ensuring strong and resilient local governments delivering coordinated planning across the state.

CHAIR: Thank you, Deputy Premier. I call the member for Gympie.

Mr GIBSON: Thank you, Mr Chair, and thank you, Minister, for those opening remarks. My first question is to the director-general. Committee members have been provided with a table as part of a response to non-government question on notice No. 2 which gives the time frames for the current Sustainable Planning Act planning scheme amendments which were tracked through the department's current reporting mechanisms. Looking at the first state interest checks on that table, it appears that on not one occasion was a state interest review conducted under the 40-business day time frame as set out in the government's KPIs. Indeed, the average is that 107 days have been taken to conduct the first interest check. That is more than a 150 per cent blow-out from the KPI of 40 days. Director-General, what is being done to bring this in line with the KPIs?

Mr Noye: I will ask the Government Planner to come and answer that in detail if that is fine by you.

Mr GIBSON: Yes, more than happy to.

Mr White: In respect of the triggers associated with the referral process, the whole process is under a consideration of review in relation to re-examining under SPA the notion of top-loading the planning system so that the requirements associated with state agencies and the requirements associated with referral processes are dealt with at the front end of the planning process, thereby avoiding the necessity for unnecessary referrals that can be considered as part of the SPA reform process by top-loading the planning system and not having a complicated referral system associated with a DA-by-DA situation.

Mr GIBSON: I will direct my question back to the director-general. Looking at the time frames for the state interest comments, local government response times and then state agency finalisation and the 40 business days that is set there, it is clear that it is almost set up to fail because in many cases the state interest comments are not done within the 40 business days. They are at 40 business days or exceeding it. How will we see this improve to achieve the 40 business day KPI?

Mr White: SPA is our new planning legislation. It has been in place now for just over 12 months. A fundamental focus of the SPA legislation is to reintroduce strategic planning back into the planning agenda. By reintroducing planning at that strategic level, you can cut down on the necessity for referrals. Therefore, the whole issue of complicated referrals being required is significantly reduced. It also enables under the process the ability to reduce the consideration, because that has already been embedded into the planning scheme as part of that strategic process so that we do not have a situation where it is an application-by-application consideration of issues because they have already been considered as part of the scheme making process under SPA.

Mr GIBSON: If I can, these first interest checks are occurring under SPA and there is a 40-business day time frame that is the KPI for that first state interest check to occur. On no occasion of these that are listed on the table has that 40-business day time frame been achieved. The blow-out is significant. It seems to be primarily with state agency finalisation that we have this blow-out, although, as I said, it appears that we start off setting it up for failure because state interest comments are not even done within the 40 days. What is being done so that under the time frame set by SPA we can achieve the first state interest check within the 40 business days?

Mr White: There are no SPA planning schemes at the moment around which the state agencies can consider the opportunities that have been presented by the legislation. Once we start to get a raft of new planning schemes, those opportunities that I talked about previously will become available to us. But ostensibly we are still dealing with planning schemes which were drafted and prepared under the previous legislation. SPA offers that opportunity to reintroduce that strategic content and new schemes will give us that opportunity.

Mr LUCAS: I am happy to comment if you want me to.

Mr GIBSON: I will come to that in a moment.

CHAIR: Can I just clarify for everyone here what the process is. Mr Gibson is entitled to ask Mr Noye the question. If Mr Noye is happy for Mr White to continue to answer the question, that is fine. At any time you are entitled to answer the question yourself, Mr Noye.

Mr Noye: Thank you.

Mr GIBSON: If I can then, Mr Noye, based on what we have seen occurring with the old planning schemes and in light of the fact that we have 70-odd new planning schemes coming through, what confidence can we have that those planning schemes will be dealt with in the time frame? Certainly given the performance to date we have not had one achieve that, so what are we hoping for? Are there additional resources that are being put into this? Are we looking to streamline it in other ways? What confidence can you give the committee that for the new planning schemes we will be able to achieve those within the 40 business days for the first state interest check?

Mr Noye: Can I ask the Acting CEO of GMQ to answer that in detail.

Mr Crombie: Thank you. Specifically to address bringing down that time period, there are a number of things that the department is actively working on. We are putting a greater emphasis on reviewing the statutory guidelines to make sure that all of the steps in that state interest process are being properly captured and differentiated so that the time spent on each step is more clearly articulated. There is an emphasis in particular on having broader consultation between councils and state agencies prior to that state interest period starting. There have been a number of reasons those times have crept up. In particular, there have been scheme proposals provided to us which have not properly addressed the state interests to start with.

Mr GIBSON: Sorry, but I could not hear what you just said.

Mr Crombie: There are a number of reasons that time frame is as it is. These include that the scheme proposals that have been developed have not been necessarily consulted with the state prior to that scheme being submitted for review. The department often gets fairly insufficient information to help it make that assessment and there have been DLGP resourcing issues. So we are addressing that by tightening up in particular the understanding of state agencies of their roles. We are focusing on streamlining the processes which include high-level meetings between the department and high-level officials in councils to reinforce the importance of the process. We are working to ensure that the state interests are being addressed prior to it being lodged. We are also working to increase, as I say, the resources that DLGP are putting in to managing this.

Mr GIBSON: Before I go to the minister on this, can I ask a final question? In light of the fact that this is, to be frank, appalling—an over 150 per cent blow-out in the time frame—and what load is coming up, what reporting mechanisms will be in place within the department to ensure that we do not see this creep, or this continuing? What do we have in place?

Mr Crombie: If I may continue. We meet regularly as a senior executive to review this. We have much tighter management controls now in terms of reporting. This is now part of mandatory reporting to the department's board of management as well.

Mr GIBSON: Okay. If I can, Minister, start off by saying that you are the good news story on this report in your time frame for ministerial approval. But there are three occasions where you have exceeded that. They do not appear to be excessive but, again for the benefit of the committee, could you enlighten us as to what were the reasons that caused the blow-out on the ministerial side?

Mr LUCAS: Thank you for the opportunity to deal with the matter. I will go through it in a bit of detail, because you asked the question in good faith and I think it is important to go through things. First of all, under the Integrated Planning Act there was not a set time frame for this. Now there is and the department is feeling the sting of accountability when it comes to actually producing this information. I was more than happy for this material to go before the estimates committee, because I think the department needs to be able to justify decisions in particular places.

When the Sustainable Planning Act time frame was introduced it was not, for example, like the federal Environment Protection and Biodiversity Conservation Act, which you would be familiar with, that has a stop-the-clock mechanism. When the federal government refers something back to a state agency, for example, they stop their time approval procedure. That then makes it clear as to where those delays fall. I think that is something that we need to give some consideration to. Additionally, there have been a number of instances where councils, for example, have not been able to or have not sought to engage state agencies up-front prior to undertaking planning scheme amendments.

I should say what my department does is, if you like, act as a clearing house for the proposed amendments. Many of them require, for example, consultation with state agencies and then it is a matter for them to go and drive that through the particular state agency involved. A very large proportion of those are through DERM and DTMR, although my department has the responsibility for doing that. Then there is a role for the minister.

So there are 40 business days from the first state interest check. Clearly, the achievements there from the department are not satisfactory. There are 20 days for the minister's approval. I will just run down the page. I took seven, one, 11, 10, six, seven, eight, eight, eight, two, one, five, six, six, six, 21, 21, 21, seven, two, two, 16, 11 and my average was 8.4 days. There were three that were one day over the 20 business-day approval and they were three Mackay Regional Council ones.

From my point of view I have really tried to drive an understanding that that is important. I have regular meetings, particularly with the South-East Queensland councils who have more planning scheme amendments than others. It is a matter that we discuss at the South-East Queensland regional planning group. In fact, I think people like John Brent—who is well known to you—will tell you my view in terms of driving these planning scheme amendments. I do think they are important for us to get out the door.

The other thing, of course, is that under the Sustainable Planning Act when the new compliance schemes come into place they will take the place of having to do these amendments, because they will be new schemes. We have seven exemplar schemes. For example, Mackay and I think Toowoomba as well are wanting to be councils that go out there at the forefront of demonstrating projects. The other thing that is really important—and I will finish on this point—is that the state has a program of state planning policy formulation. What that is intended to do is to front load the particular triggers or issues the state will have when it comes to, for example, development near transport nodes and the like. So there is less having to check each time with DTMR, whether that is in relation to a planning scheme or, in fact, a development application.

Mr GIBSON: Just building on what you have said there, and acknowledging what is coming with the various local government areas, what are the worst departments time frame wise from your perspective?

Mr LUCAS: I am not going to get involved in that, because different departments have—

Mr GIBSON: You must have a view, though.

Mr LUCAS: They are all increasingly cooperative, because we make sure that they are. Frankly, if adequate advice is not provided or information up-front to a department, then that makes it a challenge. We have had very good progress with an understanding from both DERM and DTMR, which are the major referral departments, of the importance of pursuing planning scheme amendments. This is about making sure that we can get them through as soon as possible so that councils can get on with things. But these will be largely superseded by the new SPA-compliant schemes in any event.

Yes, I think there is no doubt that this could be done better. I have sought to lead in relation to processing my side of things. That is why, for example, I have regular conversations with the Brisbane City Council and meetings with Amanda Cooper to go through planning scheme amendments. Often it will be around the table where she will have her people there and I will have my people there and we will

say, 'What about this one?' 'What about this one?' 'What about this one?' Sometimes we will disagree with issues. Sometimes there will be issues that we will need to continue to look at. Others we can proceed with and push them through.

Mr GIBSON: Mr Noye, I have another question, if I can. I refer to Growth Management Queensland's *Development assessment monitoring and performance program—annual report* that was put out. On looking at the median overall time frames for Queensland government departments to respond to referrals, the Department of Local Government and Planning is the worst at a median time frame of 29 business days. Is this another example of the department being underresourced to manage the job that it has to deal with?

Mr Noye: I will start with the answer on that and then I will refer to the technical expert. We have been looking at the resourcing across the department, particularly in GMQ, and we have received in this budget some increase. With some rearrangement we are putting more resources to where it is required. I will refer to the CEO of GMQ to give you some more details on that. Would you like to ask anything more specific and we will come back?

Mr GIBSON: Are there any factors why the department has the longest median referral time of all state agencies?

Mr Noye: I can get back to you by the end of the session and we can get some more information.

Mr GIBSON: I am happy to do that.

CHAIR: Just for the sake of completeness, it is the Deputy Premier who will have to agree to take that on notice.

Mr Noye: Not on notice, just by the end of the session.

CHAIR: Okay. Just for noting, if there is no answer by the end of session we will have to ask the Deputy Premier to take it on notice.

Mr Noye: I am sorry.

CHAIR: That is okay.

Mr GIBSON: Do not worry, we will hold you accountable. If I can touch on the staffing issues. Again, the committee has been provided in non-government answer to question on notice No. 1 a range of numbers with regard to FTEs. To start with, we see in the corporate allocation in the planning section an over 40 per cent growth from the 2009 FTE figures to the projected figures. Why have we such significant growth in the corporate allocation area?

Mr Noye: The corporate area includes our strategic planning side of things and also our communications side of things. In the interests of gaining more efficiency, I have pulled from GMQ and the corporate side—I have amalgamated some areas—so that we can free up some resources to push out to where the resources are required more in GMQ. So that explains to me why the corporate side has increased.

Mr GIBSON: You indicated, Mr Noye, that that area includes communications.

Mr Noye: Yes.

Mr GIBSON: There is a fair bit of scepticism in the community about the number of spin doctors that this government has on staff. Are you indicating to the committee that there have been more staff employed in the public relations communications side of things?

Mr Noye: No, not at all. In fact, I am pushing the numbers down and reallocating them. So where vacancies arise I am pushing resources out to GMQ in the planning and other areas to the front line.

Mr GIBSON: So the growth in those corporate allocation numbers is not due to more communications staff? It is just that you alluded to it.

Mr Noye: No, it is not. There has been no increase in communications staff at all—quite to the contrary.

Mr GIBSON: Just touching on the government's area, within that corporate allocation one of the areas that is covered is internal audits. For the benefit of the committee could you advise us what internal audits have been conducted over the previous financial year and what internal audits are programmed for the upcoming year?

Mr Noye: I actually do not have that detail here at the moment but I can get it for you by the end of the session, with the DP's okay. As normal, we have quite a detailed audit plan which goes through the whole areas, which we have a look at, and it is ticked off and approved by the audit and risk committee and then finally by me.

Mr LUCAS: I am happy for that. It used to be a standard question that you would get before estimates. So I am happy to have the list of what the audits are.

Mr GIBSON: Could I also then ask if there are any areas from an audit that were flagged for further consideration?

Mr LUCAS: I will get you a list. I will take on notice the list of audits and a paragraph or two on what the outcome of that audits were. As I said to you, that tends to be a question that is pretty standard that you get in estimates and I did not get one this year. So you have asked it now and I am happy to get you that information.

Mr GIBSON: Thank you for that. Just coming back to the information provided to the committee—Mr Noye again—there is a discrepancy between the information provided to the committee in the FTE numbers for 2010-11. If we tally up what is on the page, it is 417.

CHAIR: Sorry, just to clarify, is that in the columns?

Mr GIBSON: Yes, that is in the table provided to us. If we tally up what is provided there it is 417, but the budget papers have it at 421. Could you provide an explanation to the committee as to the discrepancy?

Mr Noye: Not straightaway, I am sorry, but I will get you that detail again.

Mr GIBSON: All right.

Mr LUCAS: By the way, the 21 days in relation to mine, I am advised, were when those three schemes came across with changes in the portfolio that took place earlier. That is what I am advised.

CHAIR: We will turn to some questions from government members. Deputy Premier, there has been some discussion recently about NDRRA payments administered by your department. What has the Queensland government done to assist Queensland councils get back on their feet in response to natural disasters?

Mr LUCAS: The experience of the disasters—the flood and cyclone disasters—of this last summer I do not think I will ever forget for the rest of my life. I remember the 1974 floods as a 12-year-old and then being—

Mr MOORHEAD: I think we have seen the footage.

Mr LUCAS: My father took a Super 8 movie of it. That has been around the place. I actually went to communities not only in South-East Queensland where I was in 1974 but also to other parts of Queensland and to see a storm surge—and we last had a storm surge in Mackay I think in the 1920s—and to see communities where people say, 'You should build Dalby on higher ground,' but many of these western Queensland communities are built on rivers for very good reasons. There is not really an opportunity to move them. So they get significant damage when it comes to natural disasters like, it seems, those perennial floods and also the cyclones that we get. I visited over 43 or 44 communities.

The NDRRA has various components. My department administers the REPA—the Restoration of Essential Public Assets—relief measure and it does it for all events that happened before November 2010. The QRA deals with others. We set a target to make sure that we could get that money out the door to councils as soon as possible in relation to these past ones, because in the past there have been complaints about that. Since I have taken over as minister I think I have had \$450 million worth of funding approved and I think there is only one outstanding at the moment—remembering that you can apply up to two years post the event. So some councils, for example, applied in the last couple of months. I think some of those took place in April 2010 and others have two years to actually apply for them.

The actual NDRRA assistance paid to councils in 2010-11 was \$445.839 million to 64 councils including \$62 million to Mackay, \$42 million to Whitsunday, \$36 million to Cook, \$31.7 million to Maranoa, \$19.1 to Balonne and \$12 million to Bourke. Since 21 February I have approved \$452.9 million in NDRRA funding to assist councils. Some of that, of course, is in this financial year.

One of the big issues is day labour. It has been something that we have discussed on many occasions. We make the point to federal governments that in Queensland we have a very high proportion of day labour. If you took the day labour workforce out of small remote Queensland towns you would actually have a massive problem in those communities. They are the people who put the money on the plate. If you actually went to an alternative mechanism where you employed contractors, you would actually end up costing the councils and indeed the communities more because it is not like in South-East Queensland where there is a very healthy market between contractors. You would have to pay establishment costs to get out there. Following the Queensland monsoonal flooding and tropical cyclones Olga, Neville, Ului and Paul between January and April 2010, we negotiated with the federal government in relation to improved consideration of day labour arrangements and received in principle agreement from the Commonwealth that day labour costs incurred by local governments due to those significant events only would be funded under NDRRA special arrangements—so day labour costs during 2010-11 for the January to April 2010 event of \$28 million for 34 councils.

One of the things we have been talking to the LGAQ about is councils structuring their affairs the right way, that if they have multiple things to do it is better to have their day labour force doing things that maybe are standard things that they have to do and then get contractors in to do other things. I will not comment about the special deal that the Premier announced in relation to post this year's events

because that is not within my portfolio. Day labour is a significant issue and I do not think it is one that should be closed either. Surely the test with the federal government should be what work is the worker doing as distinct from who is the worker employed by. That surely is the essential issue. If they are doing something not related to the flood event they should not get refunded for it. If they are, then arguably they should.

Mr GIBSON: You have really hit the nail on the head. Up in my area the ridiculous situation was that the Gympie Regional Council could send its staff up to the Fraser Coast Regional Council and then get paid for it. The Fraser Coast Regional Council could send their staff down to Gympie to do work, but they could not work in their own areas. Is there any progress in what the federal government's position is on that? As you quite rightly pointed out, it is incredibly frustrating for councils when those staff they keep on board that are the bread and butter of the workforce and also of the community are effectively getting ruled out from being able to work under the NDRRA arrangements.

Mr LUCAS: I will make two key points in relation to that: the negotiations with the federal government are certainly matters that have been raised with me by a number of councils—most councils—and it has been a matter that I have certainly communicated to the federal minister and the Premier has taken it up at a heads of government level with them as well. They make the point that the rules have not been changed but, in fact, in the past perhaps they were not enforced as rigorously as some people would seek to enforce them now. I will say this about the federal government, though, of either political persuasion in relation to NDRRA: the damage in Queensland is about \$8 billion. Seventy-five per cent of that has been picked up by the federal government, 25 per cent by the state and the councils have a small excess and deductible. New Zealand has \$19 billion worth of damage for a state—sorry, that is Freudian—for a government that has an economy slightly smaller than Queensland's and they have got no higher level of government to pick up that 75 per cent. So I do want to make that point. We are playing nicely at the moment so I will not tee off in relation to the people federally who opposed the extra levy on that.

Mr GIBSON: I am glad you are playing nice.

Mr LUCAS: Secondly, in relation to issues such as those occurring in Gympie, I think the Gympie point is a particularly strong one because of this. If you go to Gympie, or if you live in Gympie, you will go down the main street there and they will point out to you, as they have to me, that the main street is designed to take into account floods. They are used to having floods in Gympie so they essentially have staff employed to deal with floods. Their level, if you like, of day labour undertaking those sorts of things is pretty high because Gympie is in a flood area. Now, we are not going to pick up the main street of Gympie and move it somewhere else. It is an issue.

As you said, there are ways around it in terms of how the local governments contract with each other and what they do, but that strikes me as a bit artificial. But we will continue to work with them in relation to that and we have, actually. The federal government did listen in terms of providing those funds. As I said, it is out of the scope of this estimates committee to talk about the money that came in relation to the summer's events, but that was secured particularly for smaller councils who particularly feel it.

With Brisbane, they have a day labour staff that have plenty to do all the time so they can get contractors to do other things to deal with that. It is not the same in areas, for example, where the member for Warrego comes from.

CHAIR: Can I follow on from that and ask can you please explain to the committee the process councils are required to undertake in order to obtain NDRRA funding?

Mr LUCAS: First of all, after a disaster event occurs a council has to submit a preliminary damage estimate to my department for evaluation by EMQ. Once the state-wide damage exceeds \$240,000—presumably you do not have to do too much of a preliminary damage estimate, you can probably hold up a photograph like this which shows \$240,000 worth of damage to a house let alone to a piece of public infrastructure. The natural disaster event is then activated through EMQ. Councils are then eligible for REPA funding. They have an excess or a deductible amount that is set in relation essentially to the size of the local government that applies for events that occur in that financial year. It is not like an insurance company where it is a new excess each event, it is per financial year. Indigenous councils do not have an excess to pay.

There are two categories of works under REPA, one is emergent works which are necessary for safety during a disaster to protect assets—sandbagging, fixing something so people are not injured and immediate post disaster repairs such as removing silt and debris from roads and the like. Then there is restoration works for the reconstruction or replacement of the asset. They have to complete their emergent works within 60 days of the date of the activation and lodge submissions for funding within six months of activation. Submissions for funding for restoration works must provide detailed estimated costs including photographic evidence of the damage per site and be lodged within 12 months.

Some councils put in very, very large numbers of claims. Rather than saying, 'Here is the road claim for council X,' some of the bigger councils might have hundreds if not thousands of claims that have to be processed. Councils applying for approved funding for restoration works relating to the

events that I am responsible for have until 30 June 2012 to complete restoration work and claim approved funds. Submissions for restoration works are forwarded to relevant agencies, usually DTMR, for example, if it is roads, for them to review to make sure that they believe that is a reasonable cost and assess it against the NDRRA guidelines. The feds require that as well. Then the money can be approved in accordance with the relevant processes.

Emergent works submissions detail the actual costs of completed emergent works. Once approved the full amount is paid to the council, usually within 10 days. We give councils a hand with completion of claims where they are required to do that and also help with relevant agencies. Often again they are DERM in terms of environmental approvals and DTMR often because of the public works.

Ms van LITSENBURG: I have some questions on the Local Government Grants and Subsidies Program. Can you outline the available funding in the 2011-12 budget for infrastructure projects particularly in relation to water and sewerage?

Mr LUCAS: This is a favourite topic of Howard's.

CHAIR: You mean the member for Warrego.

Mr GIBSON: It might be why he is here.

Mr LUCAS: Since 1998 \$4.4 billion has been provided to local governments to fund valuable and necessary community infrastructure. Since 2006 a total of \$869 million was approved to local governments in the 2006-11 suite of funding. The problem was that that money was essentially uncapped. In 2009 Treasury indicated that that had to end. Obviously councils were not happy about that and they still are not happy about that. But when one compares the fact of the responsibility of councils for managing their own assets—I mean, they always like to say they want to run water themselves and they want the state to pay for it—in any event, we have to make sure that what we do is reasonable. Some of the money has been spent on, for example, the Mount St John Wastewater Treatment Plant in Townsville, \$66.76 million; Brisbane city's Oxley Creek Wastewater Treatment Plant, \$45.7 million and; Sandgate Wastewater Treatment Plant, \$24.43 million. The 2011-12 budget commits to a total of \$87.7 million for water and sewerage projects including \$36.4 million to priority sewerage treatment plant upgrades for the Cassowary Coast Regional Council, Whitsunday Regional Council, Tablelands Regional Council and \$43 million to 15 projects under the Water and Sewerage Program: Gympie \$3.35 million, Townsville \$23.8 million and Gladstone \$5 million. Those projects will largely be completed by the end of the year. There were some extensions that were granted, obviously, as a result of the emergent events that have taken place.

Ms van LITSENBURG: I have a two part question now. You mentioned that a new \$45 million program is available for local governments. First of all, can you please outline the objectives of the new Local Government Grants and Subsidies Program and, secondly, can you outline the benefits this program will have for local governments?

Mr LUCAS: First of all, I mentioned earlier the significant amount of money that the state government has allocated to local governments since 1998, but in the budget this year there is a new \$45 million per annum for the Local Government Grants and Subsidies Program, including the Climate Ready Infrastructure Initiative. This will allow councils to apply for up to 40 per cent of the eligible project costs. Funding under the program will go to those councils that have a limited capacity to fund and identify priority projects. In the past that was not necessarily the situation, it was an uncapped program. It is capped at \$45 million but it is for councils that have that limited capacity.

Whilst local government amalgamations have made a significant difference in relation to the financial viability of councils, you only have to look at Bundaberg and the councils that it has subsumed. Kolan was out the back door. This is about supporting those councils that do not have a strong financial position. In a decentralised state like Queensland often that is not their fault. They are just remote, they have a lot of miles to cover and a lot of things to do out there.

Queensland is not Western Australia. We actually have people living in remote parts of this state in reasonable numbers. We worked very closely with the LGAQ in relation to the scheme. The priority will be towards projects in locations most affected by recent disaster events, also ones that align with the Q2 ambitions of strong, green, fair et cetera. It may be libraries, cultural centres, social facilities, community centres and the like. One of the ones that I am particularly attracted to is in the community of Richmond where several years ago there was construction of a lake. That is a really good tourist attraction for people like the grey nomads who want to go and stay there. If you can provide money towards that, that then incentivises people to want to stay in those communities and to do things and to enjoy themselves. That is the sort of thing that it can look at, for example, as well as your traditional water and sewerage development, business development facilities and maybe security cameras and lighting in urban centres. We will be opening the nominations for that very shortly.

Mr Kinnane: July this month.

Mr LUCAS: This month, very soon.

Ms GRACE: Deputy Premier, in relation to question on notice No. 7 regarding Indigenous state infrastructure, can you please outline the state government's commitment to improving infrastructure in the Torres Strait and northern Cape York Peninsula regions, which, as you know, I have a keen interest in?

Mr LUCAS: Yes. If it is challenging to deliver infrastructure in remote mainland Queensland, it is even more challenging to deliver and maintain infrastructure in the Torres Strait and remote parts of the cape. I think there are about 22,000 people living in Indigenous communities in Queensland. Mapoon has a population of 150. I think it is the smallest. It is pretty hard to be sustainable at that level, but people have the essential human right to have access to good drinking water and those sorts of things. Just as an aside, that is why it costs more money to provide a state school in a little town that maybe the local Indigenous kids and the local farmers' kids go to. That is part of living in a place like that.

We have approved new funding of \$8 million in 2011-12 to support maintenance and upgrades of infrastructure in the northern Cape York Peninsula and Torres Strait regions. That is part of an \$83 million package announced in the state budget, up from \$72.5 million, to assist Indigenous councils through grants and programs. That will be spent now on maintenance and upgrades, optimising the lifecycle of the existing equipment. For example, the Torres Strait Island Regional Council will buy a booster pump and there will be upgrades at Saibai Island and Hammond Island to improve water flow rates. In the northern peninsula area they will replace 130 sewerage manholes. There will be sewage pump station upgrades. The Torres Strait council will replace pumps at the water treatment facility. All of those sorts of things are really important.

Indigenous life expectancy is about 10.5 years lower for males and 8.9 years lower for females. We have to make sure that we do not have any public health reasons for that. Public health outcomes in Australia are pretty good, but they could be a lot better. This is about ensuring that we continue to invest those moneys.

Mr GIBSON: I have a question for Mr Noye. Can you advise if the department has undertaken any modelling on the impacts of the carbon tax on Queensland local governments?

Mr Noye: No, we have not.

Mr GIBSON: Is it the intention of the department to undertake any modelling, in particular around the impact on smaller councils that may not be able to model for themselves?

Mr Noye: We are waiting to see the outcome of what is happening at the moment and then we will consider it, but there has been no program to do so at this point in time.

Mr GIBSON: The committee has heard from other departments today that they have commenced undertaking some modelling. At what point do you believe that your department would commence modelling of the impacts of the carbon tax?

Mr Noye: The whole-of-government coordination on this is Treasury, I understand. We have had initial discussions at CEOs, but there has been no program to actually get together and do it. We will wait and see.

Mr GIBSON: Minister, can I ask: do you support the carbon tax and would you support the department doing some modelling to understand the impacts of the carbon tax on Queensland local governments?

CHAIR: Minister, this question is not directly relevant, but you are entitled to answer it if you like.

Mr LUCAS: The Queensland government has made it clear that, subject to adequate and appropriate compensation, we see that the carbon tax is an important aspect of adjusting to climate change. If there is one state that has the most to lose if nothing is done about climate change it is ours. If our tourism industry is impacted upon by that, if it actually ultimately impacts to the extent that we do not make wiser use of our energy resources, that impacts upon us as well. However, local governments, by and large, are not big energy emitters in the sense of what the Commonwealth government is proposing. My department undertaking modelling strikes me as being not a sensible proposition. Local governments do not operate coalmines or power stations or aluminium smelters or any of those sort of things.

Mr SEENEY: But they operate machines that burn a lot of diesel.

CHAIR: Leader of the Opposition, we will hear the Deputy Premier's answer and then you can ask another question. Deputy Premier?

Mr LUCAS: I have finished.

Mr GIBSON: Deputy Premier, I am amazed at your comment because local governments are one of the largest users of electricity in the state. To say that they would not be impacted by the carbon tax is to ignore the very fundamental impacts that they will face. Particularly for small councils or medium-size councils that would not have the capacity to undertake modelling, don't you believe that it would be appropriate for your department to do that work so that they can understand what the costs will be and if those costs are going to be passed on to Queenslanders who are already struggling through high costs of living?

Mr LUCAS: The costs to Queenslanders of not adapting to climate change are catastrophic. Most of the people who live outside of South-East Queensland live in coastal Queensland, in communities that are either highly dependent on tourism or would be very grossly impacted by climate change. There are 27 or 37, I think, countries in the world that have a carbon tax. We want to make sure that it does not impact inappropriately in relation to the impacts of climate change.

It is not the role of the state government to do the modelling for councils. If they think there is some impact upon them they can do that, but my department will not undertake modelling for councils. The point about this is that the carbon tax will impact upon a very small number of big polluters in this country. We already know that that will not make a significant change, for example, to the demand for our mining. The other day, ArcelorMittal and Peabody Energy put in a bid for Macarthur Coal within a couple of days of it being announced. I think what people are seeking to do is say, 'Let's see how employment in the coal industry continues to grow.' No doubt later on we will have some other questions about growth in mining towns and those sorts of things. That seems to be indicating to me the continued demand for coal in Queensland.

Mr GIBSON: Minister, understanding what you have just said and that you do not believe that it is the department's job to assist councils in understanding what the impacts of the carbon tax would be, I wish to pose this question either to you or, if you wish, to the director-general. Within the carbon plan put forward by the federal government there is an element with regard to fugitive emissions, in particular from landfills. From my reading of it, the government's report is unclear about the impacts of fugitive emissions. Has the department made any representations to the federal government to ensure Queenslanders are not paying a carbon tax from old landfill sites?

Mr LUCAS: Interestingly, what the state has done on a number of occasions is provide money to councils, whether they be Indigenous or non-Indigenous, in relation to remediation and rehabilitation of landfills under our \$45 million program. I would have thought if you want to look at a use of fugitive emissions from a landfill project, that would be right up the alley for a very good level of support and assistance rather than allowing them to be emitted.

When it came to the issue of infrastructure charges reform that the state undertook, the LGAQ commissioned some work on that. Frankly, if they say that this is an issue for them then let the LGAQ or others do it. However, I say to you that we ignore climate change at our peril. I also say to you that the McKinsey report on the Australian greenhouse cost abatement curve mentioned, in relation to building and transport in particular, that money invested in the reduction of greenhouse is money that actually has a net economic benefit. The member for Callide interjected earlier. His point was that they use a lot of diesel in their plant and equipment. I can tell you that they are using less and less per vehicle at the moment, because in the past it was driven by the cost of fuel to make them actually more efficient and effective. To the extent that we actually encourage more fuel efficiency, that is important, too. Of course, some of that is happening from overseas, because much of the equipment that we have is Euro standard and the like and some of these countries have carbon trading, which encourages the efficiency of them as well.

Mr GIBSON: Minister, you have indicated that we ignore climate change at our peril. I say that we ignore this carbon tax at our peril, if we do not understand the impacts of it. The Brisbane City Council, as a large council, has already done a preliminary estimate and the cost for them would be about \$20 million. They are already one of the largest users of green energy. I come back to the point that I have made with regard to electricity use for councils and other areas. Is there any plan for any program that councils can seek funding so that they can conduct their own modelling if the department is not willing to do it?

Mr LUCAS: The carbon tax is a policy of the federal government.

Mr GIBSON: Which will impact on local governments.

Mr LUCAS: The state supports a carbon tax with appropriate compensation. We have noted that the federal government has indicated that it will compensate significantly, for example, householders and small business in relation to the impacts of it upon them, which would include the impacts, I would presume, howsoever arrived at. Having said that, if the councils want to do some modelling that is a matter for them. I have said that before.

Mr GIBSON: Can the minister advise if he is aware of any compensation for local governments being offered by the federal government as a result of the impacts of the carbon tax?

Mr LUCAS: I have not conducted negotiations with the federal government. You are better off directing that at a whole-of-government level to the Premier.

Mr GIBSON: So you are not aware of any compensation—

Mr LUCAS: I have not conducted negotiations with the federal government in relation to the issue. That is something that would be better directed at the Premier.

Mr GIBSON: A question to Mr Noye: are you aware of any compensation from the federal government's carbon tax that would be available for local governments to access?

Mr Noye: No, I am not.

CHAIR: Are you intending to move away from that line of question?

Mr GIBSON: Yes.

CHAIR: We are varying from what the budget appropriations are providing.

Mr SEENEY: Minister, I direct your attention to the Queensland Infrastructure Plan that was released, with some ceremony, at the beginning of the week. What role did your department have in the preparation of this plan?

Mr LUCAS: My department played a coordination role in relation to the infrastructure plan.

Mr SEENEY: Was your department given deadlines that revolved around the estimates hearings, to have input into this plan completed by a certain date so that it could be released at the beginning of the estimates week?

Mr LUCAS: The government is keen to get its proposals out as soon as possible, so people can be consulted on them. The timing of matters is a matter for the government.

Mr SEENEY: Minister, you did not answer the question. Was your department given any deadlines that revolved around the issuing of this plan at the beginning of the estimates week? It is a simple enough question.

Mr LUCAS: It was made clear to my department that the Premier and I are very keen to have this proceeded with as soon as possible. Of course, if there is an opportunity to announce something in a timely fashion when it coincides with estimates, you will do that. To suggest that we say 'No, it could've been done in February but we'll leave it till then' is ridiculous. Things can coincide with estimates, sometimes they are announced before them, sometimes they are announced after them, sometimes they are announced in August. With respect, that is a ridiculous question.

Mr SEENEY: I take it that your department was given a deadline, then, to have the input for this report for estimates. Do you agree that that is a political approach to the whole planning exercise rather than a professional, sophisticated approach to planning, that this was all about a political exercise for estimates?

CHAIR: Leader of the Opposition, can I just say that if you are going to ask a supposition question, you need to be careful that you are not verballing.

Mr SEENEY: Would the minister agree that this was a political document prepared for the estimates process rather than any serious attempt at infrastructure planning?

Mr LUCAS: In no way was this document or any other document prepared simply for an estimates process. If documents coincide or if they are capable of coinciding with calendars then you choose when you announce them. The implication that if we did not have estimates on we would not have a Queensland Infrastructure Plan or a Bruce Highway Upgrade Strategy or a Queensland Regionalisation Strategy is, frankly, ridiculous. I would have thought that you would welcome an announcement of something prior to estimates so that you could ask questions about it in estimates.

I know what you are like. If we actually released it tomorrow you would say, 'Ah, he released it straight after estimates. I would have liked to have asked Lucas if he gave an instruction to his department to sit on this until after estimates.' Frankly, we make announcements all the time about things. I will make an announcement in the coming couple of months about the Wide Bay-Burnett regional plan when it is adopted. You have time frames that you have to go by. If it had been done and completed prior to estimates, I might have announced it prior to estimates. Yesterday I got the Toowoomba regional plan that I will be approving as soon as possible. If I had got it—and I am not blaming them; they have been very good—a little bit beforehand I might have announced it this week as well. Frankly, that is ridiculous. In fact, I am advised that you put out a release this week saying that QIP was late. So it was late earlier this week, now it is timely and if I put it out tomorrow it would be tricky.

Mr SEENEY: Minister, you still did not answer the essential element of the question: is the government's approach driven by politics rather than a serious attempt to address the infrastructure deficit that Queenslanders are suffering from? Does the release of these documents—

Mr LUCAS: If that is your question I will give you an answer on that and you will get it. You will get it, mate. One of the things that has characterised this government on the per capita infrastructure spend is that it has consistently outspent other states per capita when it comes to infrastructure. Time and time again, notwithstanding the challenges of an economy that is often beholden to fluctuations in commodity prices, tourism and the like, notwithstanding the fact that our insistence on keeping our building program running actually penalised us in relation to our credit rating, this state has kept up its Capital Works Program. That is hardly politics. In fact, what you did was make a big point out of the fact when our credit rating was downgraded. We wanted to make a point out of continuing to spend to create jobs.

You can look at SEQIPP from the past. These documents talk about not only current proposals but also ones in the future. They talk about Gold Coast Rapid Transit now being delivered. They talk about projects that have been delivered over the whole pipeline. The thing about the Bruce Highway strategy, for example, and also projects from the past—if you want to look at something like the

Springfield railway line—is that we actually plan for the future. So we have the corridor to take the Springfield railway line beyond Springfield to Redbank Plains South, to Ripley, to Yamanto, to UQ Ipswich and back around there. We are already doing the work in relation to the corridor for the railway line near the electorate of the honourable member for Gympie. I cannot comment on exactly where it is; I am not too sure about the lines. We have shown time and time again that, in fact, we are prepared to do it.

If you want to talk about being political, one of the great shames under the previous Howard federal government—and I am not criticising Rosemary Menkens on this—was when De-Anne Kelly sunk the Ayr-Home Hill bypass because she was worried about the reaction of farmers to the fact that some of their land would have to be resumed. That is pretty sad. On the contrary, we do not play politics in relation to infrastructure. I love infrastructure. I love the planning for infrastructure. I love the building of infrastructure.

Mr SEENEY: You love talking about it. Minister, can you point to one thing in this document that is new—one new approach, one new project; one thing that has not been talked about before, that has not been discussed before? This is just a list of projects that everyone has known about for years. Can you show us anything that is new in the document?

Mr LUCAS: First of all, let us go through the history of infrastructure plans.

Mr SEENEY: The question was: is there anything new in this document?

CHAIR: Leader of the Opposition, order! You have asked a question. You have not even let the Deputy Premier start his answer.

Mr SEENEY: He has given an indication that he is moving away from that question that I asked. Fair go!

CHAIR: No, the fair go is that the Deputy Premier gets to provide the context to his answer. You can ask another question at the end of this answer. Deputy Premier.

Mr LUCAS: You asked me about history. I was giving you—

Mr SEENEY: I asked you whether there was anything new in this document. It is simple.

Mr LUCAS: Therefore, I need to talk to you about what historically was in the documents. If you want to know what is new you have to know what is old.

Mr SEENEY: No. All I want to know is what is new; all of it is old.

CHAIR: Leader of the Opposition! Deputy Premier, I ask that you direct your comments through the chair. Leader of the Opposition, I ask that the Deputy Premier be given the opportunity to answer the question.

Mr LUCAS: Point one, when the Queensland government formulated the South East Queensland Infrastructure Plan, the award-winning plan, the plan that has been recommended for emulation in other parts of Australia, that actually built off a historical plan—not in South-East Queensland but for the rest of Queensland—called the Roads Implementation Program, which had a four-year program of works done for Main Roads. That was—

Mr SEENEY: That has every one of these projects in it.

CHAIR: Leader of the Opposition! Deputy Premier.

Mr LUCAS: It was renowned amongst industry and councils because it set out what the government wanted to do over a period. That is important for industry because what it does is actually bring together that information in a fashion that is important to them. We had a South-East Queensland plan, we had a Far North Queensland plan and we had a roads implementation plan. What this does is bring together all of Queensland in relation to the infrastructure that we say—

Mr SEENEY: Put all the lists in the one list.

CHAIR: We have not even got to the answer.

Mr LUCAS: There was not—

Mr SEENEY: I have given the minister a couple of minutes. He is still not answering the essential part of the question. Is there anything new in this document? Yes or no is a fair answer.

CHAIR: Leader of the Opposition, the Deputy Premier is answering the question. We will get to the answer.

Mr LUCAS: For the first time this document brings together the infrastructure requirements of all of Queensland. It will now go out for consultation so we can talk to the community about what they think should be added and their views about timing. In the future it will also contain—and we have made it clear in the document—for example, private sector infrastructure. There will be an invitation for them to put that forward. The Local Government Association has made a point that it would like to see some local government infrastructure. We are not going to be putting the curbing and channelling outside

Mrs Smith's house in it or anything like that. So what this does is bring it together. It is pretty funny that you would actually criticise a document that for the first time depicts the infrastructure needs and projected needs for all of Queensland. That is what good planning is about. Then when you drill down in more detail you get to the Bruce Highway strategy and it goes to it in, frankly, very significant detail. I will table for the benefit of the committee the government capital program.

CHAIR: Is leave granted?

Leave granted.

Mr SEENEY: I direct the minister to some specific details of the document. For example, of all the projects that are listed only a very small percentage have any committed funding. For example, in the Central Queensland region, which I obviously have some interest in, there are 54 projects listed, none of which are new, but only 10 of which have funding allocated to them. Given that the government's capital projections, the forward projections in the budget, extend over a four-year period, does that mean that the other 44 projects in Central Queensland are not going to be funded in the next four years?

Mr LUCAS: The delivery time frame of all of the projects is noted in the document itself.

Mr SEENEY: But there is no funding.

CHAIR: Leader of the Opposition, let us hear the answer.

Mr LUCAS: The delivery time frame of the projects is noted in the document itself. In relation to projects, for example, that are pre market or in the business case, if you cannot put a figure against them it puts an estimate against them because you actually need to know the exact amount of money. Until you have done the planning or done that stage of the project or have gone to contract, you do not have the specificity that you need to actually put a certain amount in. Some of them, of course, extend beyond the forward estimates period; they are projects such as the Sunshine Coast University Hospital that require a longer period. You make the commitment even though it extends outside the FE because it is a project that takes more than the forward estimates period. There is nothing unusual in relation to that. I would note what you did in relation to the Bruce Highway: we launched a plan; you launched a petition. You will have to get a few people signing it to pave the road with it.

Mr SEENEY: There is nothing unusual about having 44 projects listed as an infrastructure plan with absolutely no funding allocated? Can I direct you to one of those projects, the Leichhardt Highway Don River Bridges replacement? That project has been around for probably seven or eight years.

Mr LUCAS: Can you give us a page number?

Mr SEENEY: It is on page 64, the Leichhardt Highway, west of Taroom, Don River Bridges replacement. That is just one project out of the Central Queensland list. That has been there for seven or eight years. The department has a very detailed plan for that. I have seen it. I have had discussions with Main Roads engineers about it. I have negotiated on behalf of landholders about the corridor. The design is well known in the local area. The project is long overdue, yet it is listed here with a time line from 2011 to 2015 and total committed investment: zero.

Mr LUCAS: No.

Mr SEENEY: There are no dollars.

CHAIR: That is the question. Deputy Premier.

Mr SEENEY: Does that mean—

CHAIR: Deputy Premier.

Mr SEENEY: I have not asked the question yet. Does that mean, Deputy Premier, that that project is going to be delayed for another five years under this so-called infrastructure plan?

Mr LUCAS: No, it does not because it does not indicate that that is the case. It talks about—

Mr SEENEY: But there is no money allocated.

CHAIR: Now you have asked the question.

Mr LUCAS: No, it talks about the expected work on that project. This is a higher level document. If you want to comment on specific projects, then that is something that will need to be secured from the specific agency that is doing that. When you asked the first question I indicated that my department coordinated responses from agencies. My department does not construct bridges.

Mr SEENEY: I am trying to understand what this document means, Minister. I am using that as an example. Is this document anything more than a cheap political trick for estimates?

Mr LUCAS: That is ridiculous. No doubt you would have said the same when the South East Queensland Infrastructure Plan was developed and it has shown to be a guide path—and an award-winning guide path—for how we build things. What does not lie is the level of capital expenditure we have made. I actually remember the regional bridges program that happened partly in your electorate and partly in Dolly Pratt's electorate—and I was trying to think who else's electorate benefited. That

program was about making a commitment to that. This is also informed by the regionalisation strategy, which actually looks at how flows are taking place in relation to what we are building, whether that be in agricultural corridors or the like. This is about not only the projects that we have committed dollars to but also the projects that we wish to do and the time frame that we would ideally seek to—

Mr SEENEY: With no money committed?

Mr LUCAS: Of course there are projects there, if you have a forward estimate period of four years, that you do not have funding for at this point. Of course there are projects there that require federal funding.

Mr SEENEY: That one does not. That is not a federally funded road.

Mr LUCAS: In relation to specific projects, you will need to ask the particular agency—

Mr SEENEY: So it is a fairly meaningless document, Minister?

Mr LUCAS: That is not true at all.

Mr SEENEY: It all about politics.

CHAIR: Leader of the Opposition, we have been going back and forth on this. We are going to finish the minister's answer and then I will ask a question next. Deputy Premier.

Mr LUCAS: That is funny for the man who glorifies Mr 'TransApex'. I do not think too much cash allocated was against that when he was trotting it around.

CHAIR: Deputy Premier, you mentioned in your comments earlier the building revival.

Mr LUCAS: I was enjoying that.

Mr SEENEY: You will not like it from here, I can tell you!

CHAIR: Can I ask about the reasons that brought the government to convene the Building Revival Forum in April this year?

Mr LUCAS: The global financial crisis took a massive toll on the construction industry, particularly in Queensland. One of the real problems that we have in Queensland is that Suncorp, for example, who was a very, very substantial lender of development finance in Queensland has essentially exited the market. We have had an issue of slowing of demand and, indeed, a real difficulty in development finance being made available for smaller level developers. Some big developers can finance off balance sheet, for example. So it has been a significant hit.

The building and construction sector is the second biggest contributor to gross state product and the third largest generator of jobs—202,700 jobs in 2009-10. Since the GFC hit, new dwelling approvals have slumped and are yet to fully recover. We held the Building Revival Forum on 12 April 2011. There were about 150 representatives from industry, business groups, unions, government, local government, HIA, Property Council of Australia, Master Builders, UDIA and the like, chambers of commerce and Australian Industry Group. A lot of people were there. It was an opportunity for various parts of the sectors to brainstorm ideas about how we might actually address these issues. We had a number of very good keynote presentations on issues in relation to financing, issues in relation to what is the demand, what are the driving cost factors et cetera. When it comes to housing, many cost factors are not factors that are within the control of state governments. Probably the most significant driving factor in relation to the costs of acquiring housing are interest rates, and the states do not control interest rates. We cannot pull too many levers. Some of the things that we can control are issues such as the availability of housing supply and, indeed, some of those charges around that. So the issues are low housing demand and insufficient sales.

We committed last year at the Growth Management Summit to establish the Infrastructure Charges Taskforce. We did that. The Infrastructure Charges Taskforce of course was set up to make sure that we could come up with ways to address the affordability issue when it comes to local government charges. The state recovers very, very little when it comes to those sorts of charges. We also announced as part of the budget—it is part of the budget. The LNP never made any budget announcements because that would have been political. They just said, 'Here is a budget today. No questions on that.'

Mr SEENEY: There is no point getting churlish. You were caught out.

Ms GRACE: It is a good point, though.

Mr LUCAS: As part of the budget—I will not go into it because it is not within my portfolio—there is the significant boost to homebuyers—the \$10,000, for example—and for a limited period of time, which will have a very significant stimulus effect. The ULDA have told me already that in relation to Fitzgibbon that \$10,000 has really promoted people coming through and looking at purchasing.

CHAIR: Thank you, Deputy Premier. Deputy Premier, can you inform the committee on some of the key outcomes from the Building Revival Forum?

Mr LUCAS: Sure. We have introduced a cap for infrastructure charges to ensure certainty, simplicity and transparency. The Infrastructure Charges Taskforce came away with a residential suggestion of a cap between \$20,000 and \$30,000. So they did not do a bad job, notwithstanding the disparate interests, to actually get to that range. Off the top of my head, the task force suggested \$18,000 for one-bed properties. We had a look at all of that and then took the view that \$28,000 would be appropriate. That was far closer to the local government's end of things—they signed up to \$30,000 to \$20,000—but we thought that was fair. Instead of having \$18,000 for one-bedroom properties, we ended up with a situation of \$20,000 for one- and two-bedroom properties, because there are plenty of two-bedroom units and I think it would have been a bit arid to have just a one-bedroom thing. It probably would not have made a real difference.

We agreed to have a three-year moratorium on the state infrastructure charges levied. There are not too many of them collected, anyway. It was several millions of dollars but not a lot of money. Then we announced a major projects office. There was \$1.8 million in the budget for that. The major projects office is very significant because it brings things together, if you like, and acts as a case manager in government to negotiate major projects. The major projects office is not about being an approval body. The ULDA looks after things in its area. The Coordinator-General looks after things in his area. The major projects office is about looking after things that would normally be approved in accordance with the provisions of the Sustainable Planning Act. The office will designate a person who is your caseworker who is there for these major projects. If you are involved in a major project, you go and see that person. They are the ones who liaise with the various government referral agencies and with local government. Frankly, you can be either a case manager or an approver; you cannot be both. We gave consideration through the consultation process to what people wanted, and what they wanted was a case manager.

So there is the \$10,000 Building Boost, and I spoke about that earlier. Already Stockland and Delfin are advertising it—I thank them for that—because it is such a good policy. Then there is the Development Assessment Process Reform Program, which is an extension of the Target 5 Days Project. There is \$2 million to support the LGAQ and CommSec to deliver the Development Assessment Process Reform Program, endorsed by the Property Council of Australia, who said it would reduce the holding costs of large residential developments.

Other initiatives include \$44,000, a modest amount, to support the delivery of mixed lot sizes. So we will have a look at some standard definitions there. One thing about smaller lot sizes is that they then allow other parts of the development to have larger lot sizes. So that is an important aspect of it. Also, we will be examining a better way for non-complex development applications to be dealt with and investigating self-certification for minor projects such as driveways and minor earthworks.

CHAIR: Thank you, Deputy Premier. I call the member for Brisbane Central.

Ms GRACE: Deputy Premier, you mentioned the government getting involved in the infrastructure charges. I just want you to expand a bit on why we did get involved and what the capping of the infrastructure charges will do for the construction industry.

Mr LUCAS: The problem was that councils and developers simply could not agree. They were constantly fighting and arguing about what would be an appropriate infrastructure charge and indeed were faced with great variability, and then others were discounting those charges to attract development. The Scenic Rim, for example, has a very significant discount on infrastructure charges because it wants to attract development there. The Redlands was charging, I think, \$48,000 in infrastructure charges. So, if developers are not given certainty and do not actually understand a regime that is fair all round, then when they go to bid with the farmer to buy the land off them in the first instance they do not know what they are actually going to get. The infrastructure charges were \$41,000 in the Redlands; I apologise for that. It is still a lot.

So the infrastructure charges were inconsistent and excessive and, with a third of jobs in Queensland in the building industry, we had to take the issue seriously. We set up the task force. As I indicated before, it suggested \$20,000 to \$30,000. We took the upper end of that. Brisbane's infrastructure charges were \$47,304. In McDowall it will now be \$28,000, so that is a 41 per cent saving there. That is essentially passed on to people who buy those properties. Ultimately it is a significant issue. As I said, some councils already discount quite significantly. Brisbane, to be fair, in the CBD has had some good discounting as well.

Ms GRACE: Premier, just to clarify—

Mr GIBSON: Premier?

Ms GRACE: Sorry—Deputy Premier.

Mr GIBSON: Has there been a spill? Did we miss it?

Ms GRACE: You picked that up quickly, didn't you? Just to clarify, even though the infrastructure charges are capped, I am sure the councils are able to charge less than the maximum amount set by the government.

Mr LUCAS: They can charge zero if they want. They are able to charge less, and we would hope that there would be a level of competition. Certainly in recent times Logan was actually charging quite a competitive rate because it wanted to attract more development to it. Townsville, for example, I think have offered free infrastructure charges—zero—in their CBD because they want to attract development. There is no reason you cannot actually do that. On the Gold Coast, the infrastructure charges for a one-bedroom unit will be \$13,500 and for a two-bedroom unit will be \$17,000. Gympie is keeping infrastructure charges at \$15,000. Councils are taking different views in relation to that. We indicated in parliament—the Leader of the Opposition indicated in parliament—that we will be keeping an eye on people. It seems to me thus far that there is a level of ‘sensible’ about this. Brian Stewart, the UDIA CEO, noted—

We believe that a decision to act on this problem was abundantly in the public interest because of its ultimate impact on affordability.

Ms van LITSENBURG: The Urban Land Development Authority is working on a number of developments in South-East Queensland. Can you advise the committee on the progress that is expected to occur in these areas in the coming financial year?

Mr LUCAS: Well, I am able to do that. It has 14 all up—eight in South-East Queensland. They are Fitzgibbon, Bowen Hills and Northshore Hamilton, where I joined Tim Nicholls for the announcement of one of the major projects. It is good to see that he supports the ULDA. If he did not support it, he would not have turned up, presumably. The other five are Woolloongabba, Ripley Valley, Greater Flagstone, Caloundra South and Yarrabilba. When these UDAs are fully developed in South-East Queensland they are expected to deliver more than 150,000 dwellings for up to 390,000 people.

The ULDA's involvement with strategic sites is to facilitate a range of outcomes, including the delivery of affordable housing for key workers in greenfield areas. It recognises the importance of preserving open space. An estimated 5,865 hectares of open space is anticipated to be delivered in South-East Queensland located UDAs in the long term. My beloved Wynnum is on the water. It is a beautiful leafy suburb and the like but, depending on the measure you use, Ripley will have 40 to 50 per cent public open space or more than housing lot areas. That is just amazing. You do not get that out of current developments.

The Queensland Conservation Council—I have their media release here—were talking about Caloundra South. They were saying that we are the best thing since sliced bread in relation to what we are doing. I was out at Fitzgibbon only a few weeks ago and it was very, very impressive. You can see the quality of the ULDA work and the immense amount of green space there. There are already houses there that people are living in. I walked through various houses as well. In 2011-12 the ULDA will continue to work with building partners to deliver 237 new dwellings—homes for up to 590 people. Where are those really good pictures I wanted to show the committee? Stages 5 and 6 of Fitzgibbon Chase are expected to be completed.

These photos are really interesting. In the older part of Fitzgibbon they have these big open drains. That is how they used to deal with creeks. This photo shows you what they do now. They make it into parkland. In this photo you can see the railings. Instead of the sign saying, ‘Do not play on the railings,’ it has crossed those words out and it says, ‘Remember to play on the railings,’ which is for kids. This next photo shows the parkland. It is designed that way because of the water flow. This photo shows what it was like after a little bit of rain and there is another photo that shows what is like after a lot of rain. It flows very, very heavily and then goes down again. The other alternative is to put a big V-shaped drain there that no-one can play in most of time. So this allows suburbs to communicate with themselves. I seek leave to table that for the benefit of the committee.

CHAIR: Is leave granted?

Leave granted.

Mr LUCAS: In relation to the Bowen Hills UDA, in November 2010 the ULDA approved the master plan for the \$3 billion development of the RNA showgrounds. Already four major developments worth \$530 million and providing 960 dwellings have been approved. They include private sector land developments by Metro Property including The Chelsea, Madison Heights and 37 Mayne Road. These projects will provide 720 homes for approximately 1,800 people.

Northshore Hamilton I think in many respects is the jewel in the crown of what you can actually do with urban renewal. We all would remember that it was industrial land—with wharves and the like. The wharves are down where the wharves should be now. They are in my electorate at the Port of Brisbane—it is out of the way; it has a port motorway that we are expanding, because we actually do do things that are in infrastructure plans; it is next to the Gateway, which was also in the plan; it is connected by a railway line standard gauge, financed by Paul Keating. That is where it is. What we have been able to do at Northshore Hamilton is six developments worth \$1.2 billion and delivering 2,000 dwellings. Development is underway in the Leighton, Devine and Multiplex projects. You can see them when you drive past them. They have recently called for expressions of interest for developers for 10,700 square metres of land in Remora Road.

In relation to the Woolloongabba UDA, part of the site deals with the area that the Cross River Rail will impact upon, but that does not mean that we cannot deal with the rest of it. There is a slight part of a road reserve on the north-west corner to go out to an expression of interest shortly.

CHAIR: Thank you, Deputy Premier. Deputy Premier, in response to the question asked by the member for Brisbane Central, you have dealt with Bowen Hills, Hamilton and Woolloongabba—the ULDA sites in Brisbane. I am keenly interested in those ULDA sites in my part of the world, with Yarrabilba and Greater Flagstone just south of my electorate. Can you provide some more information on those ULDA projects outside of Brisbane?

Mr LUCAS: Sure. There are two areas in which there is a bit of ambivalence about the ULDA being there. One is in Brisbane. The Brisbane City Council have indicated that they do not want the ULDA there, but we are there doing a good job. The Sunshine Coast Regional Council wanted to do Caloundra South themselves and we are having a biff with them in court. In every other area we are there essentially with the support or at the invitation of the local councils. The Logan council in relation to Yarrabilba and Flagstone and the Ipswich council in relation to Ripley welcome the presence of the ULDA there on those projects.

The proposed development schemes for Ripley, Yarrabilba, Greater Flagstone and Caloundra South were submitted to the minister, myself, on 22 June following public consultation, and we would hope that we would have them approved in the latter part of this year. There is 30 to 40 years of potential development at Yarrabilba and Flagstone. The old approvals in Flagstone were for rural residential, which is the last thing you would want on top of an interstate railway line that we secured funding for from the federal government to convert to dual gauge. That dual-gauge conversion means that it is so much easier for the state ultimately to put urban electric trains on it. It also means that Bromelton will be able to be serviced as a proper multimodal freight facility further south—

CHAIR: And fewer people driving through my electorate.

Mr LUCAS: Absolutely. So 25 per cent of the housing in Yarrabilba and Greater Flagstone will be affordable and this could provide up to 17,500 dwellings at prices under the medium. That is 17,500 homes for new people. Development applications comprising a total of 624 lots have been approved to date, including 500 residential lots in Yarrabilba with construction expected to commence later this year. Approval has been given for 132 new homes in Flagstone, with the first lots to be completed and released to market with site works underway.

There was some discussion in relation to the ULDA in an area north of Flagstone and there was some concern in the local community. I spoke with local residents—indeed, Ian Rickuss, their local member, also came and saw me—about their interface and their existing residential areas in relation to that interface, and that application has been withdrawn. Clearly, the interface between existing approved areas and new areas needs to be managed.

One of the points is this: as I said before, you can potentially guarantee a lot more parkland with properly designed and built areas and, secondly, you can then have the critical mass. You might have a school with an existing rural residential development that is small and does not have critical mass. If you actually have a proper interface and the right number of people there, you can start to get the numbers for that school that make it far more viable. So there could be some real opportunities there. For Ripley Valley, the figure is about 40 per cent green space.

In terms of the Centenary Highway, this government built the extension from Springfield to Yamanto long before any houses were built there, if you want to talk about building infrastructure in time, and we protected the railway right of way. In the future, there will be 120,000 residents in Ripley. Caloundra South is requiring the necessary approvals for the federal government to consider whether it triggers the EPBC legislation. The remaining Bellvista 2 portion did not trigger EPBC.

CHAIR: Thank you. I call the Leader of the Opposition.

Mr SEENEY: I go back to the so-called infrastructure plan that has Growth Management Queensland's title on the top. Can I direct the question to the acting director-general, Mr Noye. How many people in the department were engaged in the compilation of this report and over what time frame?

Mr Noye: My recollection is about half a dozen but I will just check.

Mr Crombie: We have had a fairly small number of full-time equivalent staff. They sit with the Infrastructure and Regional Futures Division which was established at the time Growth Management Queensland was created. They have been working on a range of infrastructure projects, including this one, since approximately July last year. I think off the top of my head, we have about six or seven FTEs allocated in this area.

Mr SEENEY: Mr Acting Director-General, did your department have the lead agency role in the compilation of this? I presume that is why Growth Management Queensland is on—

Mr Noye: GMQ is part of the department, yes.

Mr SEENEY: Who had the lead management role? Who had the lead role in the compilation of this document?

Mr Noye: We coordinated across government.

Mr SEENEY: Mr Noye, were you given any instruction with regard to the time frame for the release of this document by the Premier's department?

Mr Noye: We were given a date to have it ready by and we met that date.

Mr SEENEY: Can you tell us what that date was and when you were given the date?

Mr Noye: I will just check.

Mr LUCAS: It is in the document for the Queensland Growth Management Summit, which happened last year, at page 66 and it says mid 2011—and I will seek to table that—so it was obviously a long range direction—

CHAIR: Deputy Premier, we will come back to that. We have to get the answer from the acting director-general.

Mr Noye: The date requested was 12 July.

Mr SEENEY: And when were you given that deadline?

Mr Noye: We will have to check. We are not exactly sure.

Mr SEENEY: Thank you. Mr Chair, can I move then to another planning document, the Maranoa-Balonne Regional Plan, which is one of a number of regional plan documents. Can I ask the minister, when he is ready—

Mr LUCAS: Sorry, I am just getting some documents ready that I have to table.

Mr SEENEY: Minister, given the land use conflicts that exist in this particular area of Queensland, why isn't this regional planning process being extended to address those land use conflicts between the resources industry, the agricultural industry and the urban settlement? Wouldn't that be a more appropriate planning instrument than these types of meaningless documents which your department is producing?

Mr LUCAS: What document are you talking about there?

Mr SEENEY: I am using the Maranoa-Balonne Regional Plan as an example because that is the area where the land use conflicts are at their greatest. However, my question extends to all of the regional planning instruments that have been or are being prepared. As you would realise, some of them are currently in draft form.

Mr LUCAS: The ones of that nature though are current in the sense that they are operational. They have been operational for a little while now off the top of my head—the Maranoa one, similarly with the North-West one.

Mr SEENEY: The Wide Bay one is in draft form.

Mr LUCAS: Okay. The Wide Bay one is in a—

Mr SEENEY: The question is: why aren't they being extended to deal with the land use conflict issues between the resources industry, the agricultural industry and the urban settlements? That is very current at the moment in the Maranoa-Balonne area in particular, but it is also an issue in Central Queensland in the areas covered by a number of those other plans.

Mr LUCAS: First of all, the documents are prepared at a point in time. That is what these plans do—land use conflict issues. For example, there is a land use conflict issue in relation to Far North Queensland and indeed in relation to the Wide Bay-Burnett area in relation to agriculture and in relation to housing and in relation to industry, and that is what planning does. Planning resolves land use conflicts.

Of course, the Surat Basin strategy is currently being developed. If you are talking about addressing the conflict between extractive industries—or high-impact industry is how some of it is described—and traditional planning schemes, that is something that is not new. However, it would be true to say that it is something that in recent times has been far more stark as there has been a very significant increase in the level of interest in exploration and indeed production in other parts of—

Mr SEENEY: Obviously, you do not need to tell me that. The question is what your department is doing about it.

CHAIR: Leader of the Opposition, he was not having a go at you—

Mr SEENEY: Why hasn't your government responded to that?

CHAIR: Let us hear the answer to the original question from the Deputy Premier. We will come back to another question if you want to ask that next.

Mr LUCAS: It is a question of what responsibilities my department has and how it works cooperatively with other agencies and other departments. For example, mining leases are not traditionally dealt with as part of planning schemes. Clearly, though, the conflicts between mining tenements existed for years—they have been there for 50 years, God knows how many years—without a need to resolve them differently, but there is now a situation where they do. Now, that is why, for example, this government adopted the policy in relation to strategic cropping land and in fact we went further. You did not want to protect the so-called golden triangle. You very clearly—

Mr SEENEY: That is quite wrong.

Mr LUCAS: You very clearly had your foot on the sticky paper—

Mr SEENEY: The question is why aren't you protecting those areas using the planning mechanisms that are available to you.

CHAIR: Leader of the Opposition, we have had your interjection. I call the Deputy Premier.

Mr LUCAS: You clearly sold them out, those areas such as the golden triangle. What the government has been doing, led predominantly out of Stirling Hinchliffe's portfolio area, is indeed the overlap between mining tenures and the increasing concern that people have expressed when it comes to its interaction with urban areas. That is why we have taken action in relation to strategic cropping land on the Darling Downs. That is why we did it in relation to the golden triangle, which you deliberately did not address when you announced what your policy alternative has done.

I reject emphatically that the government has not done so. We know what Campbell Newman has been telling the miners behind closed doors. We will be very open about it. We have made it crystal clear that, whilst we want to have greater growth of extractive and resources industries in Queensland, it needs to be in a responsible manner and that does not mean that their licence to operate is an untrammelled and unfettered one. Clearly, the interaction between what we will do and what they will do in the future is important.

I have got to say that as part of my discussions in relation to the Wide Bay Burnett Regional Plan the issue of the interaction there, for example, of mining tenements and in relation to other land uses has not been raised with me. That does not mean that in the immediate term we do not need to address these issues as a state.

CHAIR: I might ask you to wind up your answer.

Mr LUCAS: That is what we are doing. By the way, can I table page 66 of the Queensland Growth Management Summit report that committed this government to introducing a Queensland infrastructure plan by mid 2011. Last time I checked this is mid 2011. I also wish to table the Leader of the Opposition's media release dated 7 July calling on us to produce the infrastructure plan. Perhaps the director-general should say that he listened to your media release of 7 July and did what you told him to.

CHAIR: Is leave granted?

Leave granted.

Mr SEENEY: I think that might be closer to the truth than you realise. Minister, can I direct your attention to the Far North Queensland Regional Plan, which does have statutory land use controls based on areas of high ecological significance. The plan identifies two such areas—areas of high ecological significance and areas of general ecological significance—and contains a range of planning mechanisms to protect those areas. If it is appropriate in the Far North Queensland Regional Plan to use these mechanisms to protect areas of high ecological significance, why is it not similarly appropriate to use these planning documents to protect areas of high agricultural value, to protect areas of prime agricultural soil, rather than to completely ignore the issue in the planning schemes that you are preparing for those areas?

Mr LUCAS: No, they do because they have a constrained urban footprint. We spend half of our life arguing with farmers. I remember vividly last time I was planning minister being in a meeting in Townsville with a cane farmer who, first, complained to me about managed forests taking away the production of sugar cane in his community and impacting on the viability of the sugar mill but then five minutes later said to me that he should be able to chop up his farm and sell it for housing because it was his superannuation.

So the protection of good quality agricultural land has always been an important aspect of statutory regional plans. The plans in relation to Western Queensland operate differently than the high growth statutory plans because they tend to be more directory plans, and that is how councils—

Mr SEENEY: That is exactly right—

CHAIR: Leader of the Opposition!

Mr SEENEY: They are a directory plan, not a statutory plan. There are no statutory land use controls.

CHAIR: Leader of the Opposition, the way this works is that you get to ask a question, he gets to answer it and then you get another question. I call the Deputy Premier.

Mr LUCAS: That is how councils wanted it to happen because there is not a great threat in relation to their urban footprint. What has changed and what is new is the work that we have done in relation to strategic cropping land. The government has taken that. You wanted to tear up the Far North Queensland Regional Plan. That is what you said to me. You wanted the old mates rates—

Mr SEENEY: A personal insult does not get you out of answering the question. You are prepared to use statutory land use control—

CHAIR: Leader of the Opposition, you have hardly got a question out.

Mr SEENEY: My question, Mr Chair, is why is the minister prepared to use statutory—

CHAIR: No. We are still answering the last question and we have not even finished that one. We will finish this one and then we will come to your question. Deputy Premier.

Mr LUCAS: These plans—I am not talking about Wide Bay-Burnett; I mean the ones about North-West, which has been in a mining area for years, and the ones about South-West and Central West—have been in place for several years. All of a sudden—

Mr SEENEY: But they do not use statutory land use control.

Mr LUCAS: All of a sudden you have got an interest in them in a different way. Do you know why? I will tell you why. Because it has become a significant issue—

Mr SEENEY: That is right, and the government should respond. You should be able to respond to it.

CHAIR: Order! Leader of the Opposition, your conduct is in breach of the standing orders. It is at the point where I will soon have to take action under the standing orders. Can we please hear the Deputy Premier's answer and then we will get back to you very quickly and you can ask the next question.

Mr LUCAS: The Central West Queensland Regional Plan came into effect in September 2009. The Maranoa-Balonne Regional Plan, for example, came into effect in September 2009. The South West Queensland Regional Plan came into effect in August 2009 and the North West Queensland Regional Plan came into effect in August 2010. The issue in relation to mining tenements and coal seam gas has become quite significant. That is why this government has gone further than what you were doing. If you are now advocating, however, that the appropriate way to address that is through altering the regional planning process, I welcome the LNP's conversion on the road to Damascus about strong statutory regional planning policy.

Mr Seeneey interjected.

CHAIR: Deputy Premier, I might ask you to wind up your answer. Leader of the Opposition, your next question.

Mr LUCAS: You wanted to scrap the Far North Queensland one.

CHAIR: No, Deputy Premier, please do not. Leader of the Opposition, your next question.

Mr SEENEY: Thank you, Mr Chairman. Minister, why is it appropriate to use the statutory land use controls to protect vegetation in North Queensland and not appropriate to use the same statutory land use controls to protect prime agricultural land on the Darling Downs?

CHAIR: Deputy Premier.

Mr SEENEY: Why is—

CHAIR: No, that is your question.

Mr SEENEY: Why is your department—

CHAIR: No, that is your question. You cannot keep—

Mr SEENEY: No. Why are you and your government not prepared to move in the same way to protect prime agricultural land on the Darling Downs—

CHAIR: Leader of the Opposition—

Mr SEENEY:—as you were to protect—

CHAIR: Leader of the Opposition!

Mr SEENEY:—vegetation in North Queensland?

CHAIR: Leader of the Opposition, you continue to defy my rulings. What I am trying to say is that we will deal with one question and then one answer. Before the Deputy Premier even opened his mouth you were coming in with another question. Deputy Premier, the first question.

Mr LUCAS: We have gone further in relation to protection of good-quality agricultural land. There is a state planning policy in existence. That is an overlay in relation to all good-quality agricultural land in Queensland. It is part of the planning law in this state. Indeed, the Coordinator-General has a duty to look at the environmental and farming impacts of major projects as part of the assessment. Projects that trigger the Environment Protection and Biodiversity Conservation Act must also make sure that they deal with any impacts arising out of that.

With regard to plans in relation to high-growth areas, frankly, mining takes place, funnily enough, in the statutory planning area of the Mackay-Whitsunday plan. It is not just a question that these plans—say, for example, Far North Queensland—protect environmental areas. They do. They also protect farming land. But the law of the land in relation to mining uses has developed differently in relation to planning. We are the first people who have made sure that they are actually intersecting. That is why we brought in the strategic cropping land process and at a level that you did not support. That is a fact. You did not want to protect the golden triangle. We will continue to do work to provide additional protections, particularly to people—

Mr SEENEY: That is a load of nonsense! That is a load of nonsense! You have not even started to address the issue of statutory land—

CHAIR: Leader of the Opposition, your next question. Next question.

Mr LUCAS: We know what the member for Warrego—

CHAIR: No, Deputy Premier, no. Leader of the Opposition, your next question.

Mr SEENEY: That is all my issues.

CHAIR: I call the member for Warrego.

Mr HOBBS: Thank you. I have a question to the director-general. I refer to the \$450 million NDRRA funding to councils that was mentioned here today. The Premier said it was advance funding, emergent funding, offset funding, but councils cannot bank the money until they have a successful approval from the QRA. Has the department advised councils not to spend this money without first gaining approval?

Mr Noye: Mr Hobbs, I am sorry, but that does not cover this department.

Mr LUCAS: That is the new commitment; it is not our money.

Mr Noye: It is the QRA.

Mr HOBBS: It is the same money that you mentioned a while ago. You talked about it.

CHAIR: Member for Warrego, I think the Deputy Premier—

Mr SEENEY: The question was whether the department gave the councils any advice. That is a very legitimate question.

Mr HOBBS: That is the question.

Mr SEENEY: I pursued the issue of the money with the Premier on Tuesday, but the issue is whether or not the department gave councils any advice.

CHAIR: Okay. So the question—

Mr LUCAS: I understand. He is asking not about the expenditure of it but whether we advised them.

Mr SEENEY: That is right.

Mr HOBBS: Yes, that is right. That is exactly what I asked.

CHAIR: Mr Noye.

Mr Noye: The department advises local governments and assists them in putting in their bids for the funds. I will just defer to the associate director-general of OLG.

Mr Kinnane: As the acting director-general has mentioned, the department works very closely with local authorities, particularly in the regional offices, in the compilation of submissions under NDRRA. We also provide the role of being the facilitator with the Department of Transport and Main Roads as well as the Department of Environment and Resource Management. We act in compliance and ensure that the local governments act in compliance with the NDRRA guidelines and do not go out of that. There have been substantial expenditures in the 2010-11 year—as you know and as you have mentioned and Mr Gibson has mentioned already this evening—adding up to \$445 million. The budget for 2011-12 is a notional \$300 million, but certainly any actions taken by the regional offices of the department are in compliance with the NDRRA guidelines.

Mr HOBBS: My question is: did the department actually give advice in writing to the councils in relation to the fact that they needed to get approvals first before they did the work?

Mr Noye: The administration of that funding is the Queensland Reconstruction Authority. It is not our department.

Mr SEENEY: The question is about—

CHAIR: No, Leader of the Opposition; I will clarify the matter. It is not a matter for your responsibility, Mr Noye. It may be that you did write, but the question is whether you wrote to councils with advice on the matters relating to QRA's approval of them.

Mr Noye: I am sorry; I will have to check. I am not exactly sure, Mr Hobbs. Can I get back to you?

Mr HOBBS: You can check on that, thanks. This question is of the same general drift. There have been 310 submissions already received for reimbursement and the rejections and withdrawals are 23 of those submissions. How can councils use the advance funding with confidence that they will be reimbursed? Minister, can you commit to get a written authority as the Deputy Premier of this state that councils will be reimbursed for reconstruction and counterdisaster operations they carry out in good faith—your councils carry out in good faith?

Mr LUCAS: I am not responsible for administering the current undertakings. I will seek clarifications from the QRA and advise you as to what they are doing. But I have to say this: by putting the money in their bank accounts it was showing so that they could get there and get them approved as soon as possible so they could get the work done. Everything that I have seen has shown that the QRA want to get out there and get them the money to spend as soon as possible. I will pass that query on to the QRA and the Premier and ask them to respond to that.

Mr HOBBS: Thank you.

CHAIR: Member for Warrego, you can ask the department of local government whether they provided advice to councils in their local government role, but it is not relevant to our considerations today about how that money will be appropriated by QRA.

Mr HOBBS: No, I understand that. What I am really saying is that there are going to be 12,000 applications coming in. If they only have 310 done now and there is a backlog, there is going to be a backlog in the future. Minister, I want to move on. Can you advise why local government debt is expected to blow out from \$2 billion to \$6 billion next year and perhaps \$20 billion in 20 years time?

Mr LUCAS: Part of it is because Campbell Newman has decided that he wants to undertake road projects—

Mr HOBBS: Rubbish!

Mr LUCAS: Part of it is because Campbell Newman has decided that he wants to undertake road projects that have a financing component—and I am not talking about Clem7, which is a PPP. Legacy Way is a highway that requires him to borrow money to build it. He had to borrow money to build the Go Between Bridge. After being paid out for the water assets, the Brisbane City Council had a zero debt position. The Brisbane City Council now has \$1.216 billion of debt.

Mr HOBBS: That is not 20.

Mr LUCAS: So as it continues to make that sort of expenditure, its debts will increase. With regard to the extent to which local governments manage their assets or build things, I am not saying that you should not borrow to build infrastructure, because in many instances that is appropriate. In fact, the QTC will look at what are the appropriate levels of gearing for councils. Individual councils' decisions about their borrowings or indeed the prudential nature of those are essentially matters for those councils, and they are reported on by the QTC from time to time. The remaining 11 local governments in Queensland hold \$4 billion of debt—chief in order, Brisbane, Gold Coast, Townsville, Moreton, Ipswich, Sunshine Coast, Rockhampton, Mackay, Gladstone, Logan, Cairns—and the remaining 62 hold just over \$700 million between them.

CHAIR: Member for Warrego, one more question before we head back.

Mr HOBBS: Thank you. Minister, the SDS states that the target for sustainable local governments is 100 per cent next year. Can you advise how, under the present financial arrangements, the Torres Strait Island Regional Council will be viable next year?

Mr LUCAS: The challenges of remote councils, and particular Indigenous councils, around sustainability are very significant challenges.

Mr HOBBS: They are.

Mr LUCAS: That is why—

Mr HOBBS: But you said 100 per cent.

Mr LUCAS: That is what you want to strive for. That is your target. Whether, ultimately, we will be able to achieve that target remains to be seen, but we are going to give it a go. The Indigenous councils, particularly in remote areas, have very significant challenges in relation to that. That is why, for example, as I indicated earlier, we have the particular funding package that is available to Indigenous councils to assist them in relation to the issue.

The review of the financial management return does indicate that there are concerns with the council's long-term financial viability. They are expecting operating deficits, but let us consider what they have done in partnership with us. They have consolidated in excess of 50 island council by-laws into five local laws and five subordinate local laws. That has reduced the administrative burden very significantly. We have insisted with the development of the community plan and the long-term financial asset and management plans.

In fact, if you have a look at the Auditor-General's report No. 2 for 2011 you will see that he indicated that, at the time of finalising the report, audit opinions have been issued for 69 of the 73 local governments—94 per cent. The report highlights a continuous improvement in the timeliness and quality of financial statements provided for audit. We are making significant improvements in relation to that. In relation to the Auditor-General's comments for Indigenous councils, he noted a continued improvement in their timeliness and quality of the financial statements. He reported that 2009-10 audit certificates for 13 of the 16 Indigenous councils were signed by the statutory date of 30 November compared to eight out of 16 for 2008-09, an improvement of 31 per cent.

Mr HOBBS: Excuse me, Minister, but last year \$7.81 million was not paid for the forced amalgamation. Has it been paid this year? Is it on that list you have there?

Mr LUCAS: I am advised that it will be fully paid this year.

CHAIR: Thank you, Deputy Premier. I call the member for Redcliffe.

Ms van LITSENBURG: Regarding your earlier mention of the Caloundra South UDA, can you inform the committee as to the environmental measures that will be undertaken to ensure the neighbouring Pumicestone Passage is adequately protected from impacts of development?

Mr LUCAS: Thank you. The unique environmental values of the Pumicestone Passage are important not just to the government—and, frankly, the ULDA recognises that—but also to the rest of the state. It should be noted that the entire Caloundra South site comprises three per cent of the catchment of Pumicestone Passage and the proposed development only 1.6 per cent of the catchment. There would be few companies in the development industry in this country that would pride themselves on the quality of what they build as much as Stockland do. They have to produce a development there, approved by the ULDA, that will continue to sell to people for 30 years or so—an enormous period of time. So they must take that into account and must have a top-quality environmental record.

The ULDA has set some of the most stringent water quality measures for any development in South-East Queensland and beyond. Independent consultants have reviewed water quality objectives detailed in the proposal and have said that the water treatment measures proposed for Caloundra South are well beyond those typically employed in South-East Queensland. Proponents will be required to prepare a stringent water quality monitoring program and the like. An integrated water cycle management and water sensitive urban design is required for future development and will contribute to protecting water quality values at Pumicestone Passage and the Bells Creek and Lamerough Creek riparian corridors.

Of course, one of the problems often with farms in riparian coastal Queensland in the north is that they are developed right up to the creek. That is a real problem. That is why we are wanting people to set these things back. With new developments, of course—with housing or whatever—you can do that. The proposed development scheme includes requirements for a groundwater management plan and sediment and erosion controls during the construction phase. The federal government is currently considering whether it will be an EPBC trigger or not and they may attract specific conditions.

I just wanted to provide for the committee's benefit a media release dated 1 April 2011 from the Queensland Conservation Council. I see that certain people have made comments about the ULDA and developments and the like. When you have a media release from the Queensland Conservation Council titled 'ULDA sets new benchmark for sustainable living' I think that says a lot about what they are seeking to achieve. It is a great credit to the ULDA for what they are doing there. I think we will find in the future that a lot of people will be saying, 'I'm so glad that the ULDA developed the community that I am in.' At Springfield—which, obviously, is not in a ULDA area—the people out there had a vision about what they wanted to build and develop. That is what is happening at Caloundra South as well. It is not only good for the environment; it is good economics, frankly.

Ms van LITSENBURG: What is the government doing to deliver on its commitment to encourage the growth of transit orientated developments, including encouraging private sector development?

CHAIR: Sorry, you need leave to table the media release.

Mr LUCAS: Can I have leave, please?

Leave granted.

CHAIR: Deputy Premier.

Mr LUCAS: Queensland is a great place to live. Of course, with the people coming here we have new greenfield developments—and I have spoken about some of those previously—but also transit orientated developments offer an excellent chance for appropriate infill. It has people living on or above railway lines or next to them—or busways, or the like. That is a very significant part of making sure that people are living in environments that do not require an unreasonable use or reliance on cars.

The South East Queensland Regional Plan says that up to 754,000 new dwellings will need to be built by 2031 and half of those will be infill and redevelopment. A number of TODs have been looked at and people are increasingly seeing the quality of things. If you have a look at what has been built in Fortitude Valley, in the member for Brisbane Central's electorate, you can see the quality now. People are starting to say, 'I want to live in a development like that.' They are saying, 'This is for me.' It is not like enormous council high-rise flats that you see in *The Bill*; it is about quality living.

The area that I want to talk to you about is the Coorparoo TOD. I know Coorparoo junction intimately. I went to school in that area. I lived in that area. The Myers site at Coorparoo junction will be the site of a very important busway station for the next stage of the Eastern Busway and I am proud to say today that I can announce the three short-listed proponents that will move to stage 2 of the design competition. They are Leighton Properties, Australand Holdings and Honeycombes Property. Those three proponents will now create detailed plans for the site, with a preferred developer to be selected in early 2012 with construction to commence in 2013.

Just before the Leader of the Opposition asked me about the fact that we are shortly to open the busway as far as Main street, I think it is called—Main Avenue; I always get the name confused there—just near Langlands Park pool. That also was in the South East Queensland Infrastructure Plan and was delivered. The second stage, which will go to Bennetts Road through the Coorparoo TOD under that site there, obviously, we are wishing and seeking federal government funding in relation to that. This project, though, will be able to be built essentially around it because we own all of the land there. So when the money for the busway comes through we will be able to build it without causing any undue disruption.

The Varsity TOD at the Varsity Lakes Railway Station is another important one. With that development the land there was the last part of the Varsity Lakes development that I think Delfin did. It was zoned for light commercial or light industrial use. It was blighted by high-voltage powerlines and towers going over the top of it. We acquired the land and we have the railway station there now. For those people who are living across the road at the Varsity Lakes development they now get a nice TOD there rather than having light industry next to them. It gives them shopping facilities and a much nicer environment which they will enjoy as well and it will do their property values the world of good. People sometimes say, 'Would you like to live next to a TOD?' My oath I would, because it would do my property values a lot of good—if I was in a community where you wanted to build a TOD, that is; you do not build them in the middle of nowhere. An expression of interest process to seek a private sector partner could commence by the end of 2011, with construction commencing in 2014.

The Bowen Hills TOD is a transport hub with all the major railway lines. We have 30-minute off-peak journeys in our Brisbane urban rail network, but if we have two lines going together that means 15-minute off-peak ones and if you have three or, in fact, more than that—because you have the Ferny Grove line, the Sandgate line, the Caboolture line and the Ascot line—then you have higher frequency going through that area there. So essentially, you almost do not have to wait for a train to get there. So there is a lot of value in having the transit oriented—

Mr GIBSON: You do not have one TOD in place.

Mr LUCAS: Yes, we do. Already the ULDA is building properties and approving properties around here. Fitzgibbon is a TOD by any other way—

Mr GIBSON: Ha!

Mr LUCAS: Yes, it is. It is next to a railway line. It has high levels of density.

CHAIR: Deputy Premier, can I ask you not to respond to the interjections from the member for Gympie. We might move on to the member for Redcliffe's next question.

Mr SEENEY: You could not build one—

CHAIR: Leader of the Opposition, you have had your go. The member for Redcliffe.

Ms van LITSENBURG: In terms of possible transit orientated developments in conjunction with the Moreton Bay rail link, what are the opportunities and what is the Queensland government doing to realise these opportunities?

Mr LUCAS: I am glad that you are interested in the Moreton Bay rail link. It is a very important project for the people of the peninsula. I note there was some discussion about this the other day. With the federal government coming and giving you money to build a project that is a really important top priority for them, you get in there and do it. That is what we are doing. The new railway line will be built in a low-density environment. The corridor has been protected since the 1970s, but there is capacity to cater for growth. For example, at Kallangur we own the land there. There is eight hectares of land at Kallangur.

So with us building the railway line we can then build a development that is sympathetic with that. We have signed an MOU between the state and the Moreton Bay Regional Council and we are going to partner to prepare local area plans for the station precincts. We have undertaken concept planning for the site, including high-density residential around the station—about 300 dwellings and retail development. So stage 1 is to be delivered in 2016 concurrently with the opening of the link. We do not want to build it without the link being there. Obviously, we want people to use it and future stages will be built with corresponding demand.

Ms GRACE: Deputy Premier, the Productivity Commission recently released a report on the state of planning around the country. What did this show about Queensland and is there any room for improvement?

Mr LUCAS: Yes, the Productivity Commission did have a look at the state of planning throughout Australia. What it said was that the Urban Land Development Authority was best practice when it came to these sorts of developments—its ability to coordinate and bring to book the disparate needs and the approval processes. That was an important aspect of that. It praised the government's work on capping infrastructure charges. It said—

Arguably, the ULDA, through its control of the relevant planning and approval approvals, is best placed among the—
country's land organisations—
to deliver infill outcomes.

That is why it is extremely concerning the messages that are being sent out from the LNP. I do not believe them. I do not think they are going to scrap the ULDA. They are just saying that. But it is very concerning the messages that they are sending in relation to that. It was set up to slash red tape. It is there with the support of the development industry. It is there with the support of councils, with the exception of the Sunshine Coast Regional Council and Brisbane, although it seems to be co-existing with Brisbane reasonably well.

Again, I know that not only was Tim Nicholls at that launch but also the local councillor was at that launch of the project—the Northshore Hamilton by the ULDA. Since then some 3,160 dwelling lots have been approved across nine of the 14 declared UDA areas since the declaration of Bowen Hills—that is the first UDA—in 2008. By mid 2012, it is estimated that there will be 14 UDAs and more than 5,650 lots or dwellings will have been approved. The projects have a total end value of almost \$3 billion and development is underway in more than 30 projects. It is not only well regarded by the Productivity Commission but also the development industry. No doubt at the LNP conference this weekend the developers who will all be there paying to see will point out the importance of the ULDA to those who are in attendance.

CHAIR: Thank you.

Ms GRACE: Deputy Premier, I think you touched on the Productivity Commission report about us capping the infrastructure charges. Could you just expand a bit on what their view was in relation to that, because it is something that I really supported and thought was a good move.

Mr LUCAS: It indicated that Queensland had the second highest residential commercial and industrial infrastructure charges in the country and that they had risen significantly over recent years. Again, reiterating the fact that these charges are not levied by states, there is a very limited local function charge on state roads. I will just find out how much that amounted to. The amount was minimal in the scheme of things. The commission warned that high infrastructure charges were stalling developments and, given that the building and construction sector is such a big employer—the third biggest—it was important to take action. We commissioned the independent infrastructure charges task force. We made sure that it was broadly representative. There was \$12 million on local function charges. So that is really quite small in Queensland compared to the other states. Councils can charge less if they want. To address those affordability issues—the big ticket items—the ULDA, the Building Revival Forum, particularly the \$10,000 grant for six months for new homes and particularly the cap on infrastructure charges, all of those are very significant outcomes that make a difference.

CHAIR: Thank you. How is the ULDA providing for additional permanent housing supply in the towns of Moranbah and Blackwater?

Mr LUCAS: Traditionally, town planning in these communities has been the responsibility of individual local councils. I have to say that, with the township of Moranbah in the past the Isaac council—or it would have been Belyando, I think, under Peter Freeleagus—did become quite serious about affordable housing and the like. But local councils were having quite significant challenges in housing—and I have to say that some of the mayors in the growth areas of coal seam gas had made that point as well—in being able to employ sufficient planners and being able to respond to the demands.

That is why the ULDA is in places like Moranbah and Blackwater. Employment in mining over the past 10 years has nearly tripled, to 27,000 in 2009. There are 50 coalmines operating in the Bowen Basin. The ULDA is acutely aware in these communities of the importance of having key worker

housing. Miners are very well paid, but you have actually got to have the people who work in the video store and the people who work at the chemist. What have we done? Since the Moranbah UDA was declared in July 2010 there have been five development applications lodged for almost 300 lots of permanent housing. In May 2011 the ULDA approved applications for 109 residential lots, which is stage 6 of Isaac Views Estate providing around 150 permanent homes for up to 350 residents.

The proposed ULDA-BMA partnership on the site presents the opportunity for the ULDA to deliver 10 per cent of dwellings for key workers. Plus, the ULDA are in the process of finalising plans to develop land known locally as the boxing club site. Approval of that application will see the release of 150 lots with a capacity for up to 175 dwellings for 420 people. They have also identified potential development opportunity on council land to the south-west of Moranbah. The concept plan has been prepared for how the land could be utilised for residential development that would deliver 1,500 homes for more than 3,500 people.

In Blackwater, the UDA was declared in July 2010 and encompasses the entire town north of the highway. The ULDA is focused on identifying land suitable for residential towns including commissioning a town landscape strategy to beautify the town and make it more attractive. Development is expected to start shortly on 12 units in Arthur Street which will provide a mix of one-, two- and three-bedroom units, and people should be moving in by early 2012. More permanent housing has also been developed in Blackwater, with a new development opportunity identified in Bauman Way on unallocated state land on the east side of the town. There is potential for 170 homes for up to 420 people with a diversity of housing there.

CHAIR: One more question about the ULDA. What is the ULDA doing to deliver affordable housing in urban areas like Fitzgibbon?

Mr LUCAS: I was in Fitzgibbon, as I said earlier today, a couple of weeks ago. I am so glad that I took the opportunity to have a look around to see what we were doing there. I never cease to be enthused when I see what modern planning and building outcomes do in terms of how they can achieve things, how they understand and build things sympathetic to their environment. The traditional home, the Queenslander, was built because people worked out that that was sympathetic with our environment. Then we went through this entire period where people built the proverbial brick you-know-what without any view to what our climactic conditions suited and the desirability of people living a quasi-outdoor life. If you look at housing units, the ones that sell are the ones with the big decks because people actually want to be able to spend time outside and have that ventilation.

With Fitzgibbon, we have been able to have your traditional sized blocks, 522 square metres, but also have some blocks of 157 square metres and by putting the house on it the right way you have very, very liveable and affordable houses. The problem is that if you cannot get into the housing market then you are paying rent forever. If you get into the housing market then you will go up with the market and as you pay the house off you will be able to sell it and get in somewhere else. It is the ultimate dignity to give to people.

We had a little bit of a contretemps earlier with the Leader of the Opposition. I strongly believe that we need to manage appropriately the interface between the mining industry, the LNG and CSG industries and farms because we absolutely need both. Properly done, it provides future jobs for the kids and allows them to stay in rural communities, which are the strength—the bread and butter—of this country.

In relation to Fitzgibbon, 66 per cent of dwellings are available for purchase at or below the median house price in Brisbane. Fitzgibbon is pretty close; it is just next to Boondall. Twenty per cent of dwellings are available for purchase or rental to those on low to moderate incomes—and we have already exceeded this target, with 80 per cent of homes released to market so far meeting the affordability target. Come and look at what we have done and how it has interfaced. The diversity in lots allows one- and two-bedroom homes for singles and couples, all the way up to traditional four-bedroom homes. We are doing some interesting initiatives such as the Fonzie flat, which is a flat above a garage of a house that you can actually buy separately and then ultimately sell depending upon the flexibility needs of your home. The ULDA has worked with the Brisbane Housing Co. for the construction of a six-star energy efficient rating development of 64 studio, loft, one- and two-bedroom apartments.

On completion, Fitzgibbon Chase is expected to provide more than 1,500 new homes. There are currently 183 homes completed. Stages 6 and 7 are under construction and will provide more than 100 homes, with the next sales release targeted for late this month.

Mr GIBSON: Continuing on the theme with the ULDA, I put my question to Mr Eagles. I refer to the Urbis report that was conducted on ULDA SEQ greenfield UDAs. It looked at four of them. It identified in the report that none of them would provide any affordable housing for households with incomes under \$40,000. What is the ULDA doing about this? We have certainly heard a lot about affordable housing, but this report is indicating that in these four UDAs not in one area will there be any housing stock brought to market for households with an income of \$40,000 per annum.

Mr Eagles: The Urbis report looked at the proposed first stages for the application as submitted and it showed that the \$40,000 was the most difficult one to actually produce affordable housing for to achieve the target. Certainly for \$60,000 and \$80,000 it is easier with the designs that were currently submitted in stage 1. We are starting a round of discussions with each of those applicants to say to them, 'Come and have a look at what we have been doing at Fitzgibbon. Have a look at the products that have been selling and look at the price points that are being achieved.' Even with the very high land prices at Fitzgibbon, which are a lot higher, in fact, than all of the four greenfield UDAs, there is a product that is meeting the \$40,000 price point. It is, as the Deputy Premier mentioned, the Fonzie flats or the small urban lots which are able to be done under our planning regime which perhaps the developers may not be familiar with. They can actually achieve the price points for the \$40,000.

When I was on the Sunshine Coast just the week before last I talked about putting out the challenge to Stockland at Caloundra South to achieve products below \$300,000 and about \$250,000, free-title homes which are affordable down towards that end. One of the roles that we will play in the greenfield areas is facilitation, encouragement, learning off what we have been doing, learning off what other people are doing around Australia and bringing the best of the best to South-East Queensland.

Mr GIBSON: With regard to Fitzgibbon, certainly we have seen, in an answer to a question on notice, some massive budget adjustments—from \$68 million to \$33 million in the revised budget adjustment. Why is it that those numbers have shifted from a projected budget of \$68,489,000 to \$33 million? This is in 2010-11. That is a drop of over \$35 million. Why?

Mr Eagles: I call on our CFO to help respond to that question, if I may.

Mr Mills: Can I clarify that the question is about the difference in sales between budget and actual for the Fitzgibbon Chase development?

Mr GIBSON: Attachment 1 provided to the committee, question on notice No. 4 with regard to ULDA user charges, identifies for 2010-11 the Fitzgibbon budget at \$68,489,000, then a revised budget down to \$33,705,000. That is a \$35 million drop. I am curious as to why.

Mr Mills: This reflects a snapshot at a point in time in what is a five- to six-year development at Fitzgibbon Chase. In any development there are timing differences as a result of sometimes events outside of our control. They include the flood events earlier this year and the need to deal with a range of other issues emerging in the process of undertaking the development activity. What we continue to measure over the lifetime of the project are the ultimate sales and profitability of the project, which remains unchanged at this time.

Mr GIBSON: With regard to Fitzgibbon, is the policy of market neutrality impacting at all on any of these budget figures?

Mr Mills: The competitive neutrality?

Mr GIBSON: Yes.

Mr Mills: We develop each feasibility on commencement or prior to commencing a project and ensure that all competitive neutrality equivalents—rates, land tax, stamp duty, interest margins on loans—are factored into the feasibilities prior to submission to our board and prior to seeking any debt funding for these projects. There has not been any adverse impact on the projects as a result of including competitive neutrality payments.

Mr GIBSON: With regard to Fitzgibbon again, noting that the Deputy Premier has already indicated that there has been increased interest in Fitzgibbon due to the \$10,000 sugar hit for the building industry, prior to that the performance had been fairly poor. Would it be fair to say that the sales have not achieved the targets that the ULDA would have liked to see?

Mr Eagles: When we talk to people—the Delfins and Stocklands—we hear that the residential market we are operating in in South-East Queensland is experiencing some of the worst trading conditions they have seen for decades. We are in that market. Yes, the sales rates certainly have not been what we had originally forecast. Partly it has been due to unexpected delays in some areas. We have lost four months due to rain in the last 18 months. In terms of our programs, it is very hard to actually achieve what we initially set out to achieve at Fitzgibbon. But certainly the industry is suffering. We have seen a tremendous spike in inquiries in the last three weeks or so. Whether it is due to the \$10,000 or new product coming onto the market we cannot actually say, but within the last two to three weeks there has been a tremendous spike of interest.

Mr GIBSON: Is it possible that part of the problem the ULDA has had with the Fitzgibbon project has been a lack of leadership from the development managers? How many development managers has that project had?

Mr Eagles: We have had only two senior development managers on that project—one senior development manager who was responsible for it up until about October of last year and this year we have had a new senior development manager commence. So there have been two in the space of 3½ years.

Mr GIBSON: Are they responsible for the marketing program with regard to Fitzgibbon?

Mr Eagles: They are ultimately responsible for all aspects of the Fitzgibbon development, whether it is the marketing program, construction program or the like. That is the role of the senior development manager.

Mr GIBSON: As the CEO, are you satisfied with the current marketing program?

Mr Eagles: I believe so, yes. We are certainly getting, as I said, very strong interest. The prices are sound and the stages ahead are well sought out. There is one particular product that Ausbuild are producing that has now been titled 'Hotcakes' because they go like hotcakes.

Mr GIBSON: I move now to a UDA that is the subject of a great deal of contention and that has been alluded to here today—obviously Caloundra South. At the time you were reported in the media as saying that the government's decision came as 'a bit of a shock'. Is that because you were aware of the lobbying that had been undertaken by Stockland directly with the government?

Mr Eagles: No, not at all. The shock was that, with the three others, we were responsible for four large master planned communities in South-East Queensland which meant that we had to very seriously look at how we would progress these over the next year and recognising that it is a great responsibility placed on me and the team to do the master planning for four large greenfield areas.

Mr GIBSON: Acknowledging your point there about it being a great responsibility, is it true that you were advised by text?

Mr Eagles: No, I do not think it was by text. I was not in the country at the time. I think it was a phone call from one of my staff.

Mr GIBSON: A phone call from one of your staff, not from the government?

Mr Eagles: I do not believe so. I cannot recall.

Mr GIBSON: Just continuing with the ULDA's role, from time to time the term 'affordable housing' is bandied around. Yet to get a definition of what is affordable housing seems to be a bit like the Loch Ness monster—everybody has seen it but no-one has actually got any proof of it. Could you give me your definition of what is affordable housing?

Mr Eagles: I will give you two definitions that are very useful in the line—

Mr GIBSON: Do not confuse me; I am a simple man. One will do.

CHAIR: Mr Eagles, we are not asking for an opinion. Can you use the affordable housing definition that you use, that the ULDA uses?

Mr Eagles: Our housing affordability strategy, which is published on the web, indicates that we see the ranges of \$40,000 to \$80,000 as household incomes, those are the benchmarks. They are the bars. That affordability for people with those household incomes means they do not spend more than 30 per cent of their income, in terms of renting, or perhaps 35 per cent if they are in the market to buy. That means that, in terms of rent, someone on \$40,000 can afford a home priced around about \$240,000 to \$250,000, which is the level that you said is extremely hard to do in our current climate. For those earning up to \$80,000, around about \$480,000 is the price of a house and land package. These are detached houses I am referring to.

Mr GIBSON: Very quickly, acknowledging the time, taking that definition you have provided us with and acknowledging that in the Urbis report there is no product at the lower end of that point for affordable housing, can you advise the committee how many units, what stock in affordable housing, you expect across all UDAs to bring to market in 2011-12?

Mr Eagles: Our target across all of our UDAs is 15 per cent, that is in our housing affordability strategy as well. That is to address the whole range and whole suite of affordable housing product, whether it is produced by social housing providers or not-for-profit organisations, product that we produce or product produced by the private market. In some UDAs it is five per cent. In North Shore and Bowen Hills there is a percentage of five per cent set in development schemes. In our own project, it varies quite significantly from 50 per cent to 66 per cent.

Mr GIBSON: Not as a percentage. Do you have a number of what the unit stock would be?

Mr LUCAS: In North Shore at Hamilton we do not have as much, because we want to make big money so we can put it into other places.

Mr GIBSON: I understand that. I am after a number. Do you expect to bring 500 units to market—

Mr Eagles: For the coming year?

Mr GIBSON: Yes, for the coming year.

Mr Eagles: For the 2011-12 year, we estimate about 508 dwellings that meet the affordability measures of each development scheme will be produced.

CHAIR: Thank you, Mr Eagles. That concludes the time allocated for the consideration of the proposed expenditure for the organisational unit of local government within the portfolio of the Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State. Thank you, Deputy Premier, officers of your department and related entities for your presence today. Would you like to make a final statement?

Mr LUCAS: Thank you very much, committee members. I do appreciate the opportunity to debate what I think are incredibly important issues. I thank both sides of the committee for taking the opportunity to engage in the rigorous process that is involved in estimates. I appreciate it.

CHAIR: Thank you, Deputy Premier. The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 9 am on Monday, 18 July. The committee has also concluded its examination of the matters referred to it by the parliament. On behalf of the committee, I thank the committee staff, the Hansard staff and the attendants for their assistance with today's hearing. I thank my fellow members of the committee for their assistance in this hearing process. I declare the Transport, Local Government and Infrastructure Committee's estimates hearing closed.

Committee adjourned at 7.18 pm