

TUESDAY, 15 JULY 2014

ESTIMATES—STATE DEVELOPMENT, INFRASTRUCTURE AND PLANNING COMMITTEE—STATE DEVELOPMENT, INFRASTRUCTURE AND PLANNING

Estimates Committee Members

Mr DF Gibson (Chair)
Hon. TS Mulherin
Mr MJ Hart
Mr R Katter
Ms KN Millard
Mr BC Young

Member in Attendance

Hon. A Palaszczuk

In Attendance

Hon. JW Seeney, Deputy Premier and Minister for State Development, Infrastructure and Planning

Mr R Molhoek, Assistant Minister for Planning Reform

Department of State Development, Infrastructure and Planning

Mr D Edwards, Director-General

Mr B Broe, Coordinator-General

Mr J Coutts, Acting Deputy Director-General, Planning and Property

Mr S Pickering, Deputy Director-General, Major Projects Office

Mr P Eagles, Acting General Manager, Economic Development Queensland

Mr M McKee, Chief Finance Officer, Organisational Support and Reform

Mr L Pears, Defence Industries Envoy

Mr M Levido, Director, Major Projects Officer, Mary Valley

Mr S Kanowski, Chief Economist, Executive Director, Infrastructure Policy and Planning


South Bank Corporation

Mr J Weigh, Chief Executive Officer

GasFields Corporation

Mr B Deverson, General Manager

Committee met at 9.02 am

 **CHAIR:** Good morning everyone. I welcome you all to the State Development, Infrastructure and Industry Committee's public hearing for the examination of Appropriation Bill 2014. This is the first of two public hearings to be conducted, and I think the first time that a Deputy Premier will be examined for a full day, and I look forward to this opportunity. I would like to introduce the members of

the State Development, Infrastructure and Industry Committee. I am David Gibson, the member for Gympie and the chair of the committee. The honourable Tim Mulherin, the member for Mackay, is the deputy chair. The other committee members are: Mr Michael Hart, the member for Burleigh; Mr Rob Katter, the member for Mount Isa; Ms Kerry Millard, the member for Sandgate; and Mr Bruce Young, the member for Keppel. Committee member Mr Michael Crandon is an apology for this hearing. The committee has also granted leave for other members of the Queensland parliament to participate in this hearing from time to time during the day.

The committee will examine the proposed expenditure contained in Appropriation Bill 2014 within its portfolio responsibilities contained within Schedule 6 of the standing rules and orders. I have asked all government and non-government members when they ask questions to refer back to the Service Delivery Statement for the assistance of the Deputy Premier and for the departmental officers who may be required to come forward. The item for consideration today is the proposed expenditure for the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning. On behalf of the committee I would welcome the Deputy Premier, departmental officers and members of the public to the hearing today. The committee will suspend proceedings for the following breaks: from 10.45 am to 11.15 am, from 1 pm to 2 pm for lunch and from 3.30 pm to 4 pm. I remind everyone present that any person may be excluded by order of the committee under the standing rules and orders of the Legislative Assembly. The committee's hearing is being broadcast live via the Parliamentary Services website and to receivers throughout the parliamentary precinct. I would ask that all mobile phones or other electronic devices be turned off or switched to silent mode. Witnesses, please note that you will need to turn your microphones on and off when addressing the committee. Everyone please bear in mind that there may be no more than two microphones on at a time and you can indicate that a microphone is active by the red band that is illuminated. I ask departmental officers to identify themselves when they first speak to enable Hansard to record their name.

I now declare the proposed expenditure for the portfolio of the Deputy Premier, Minister for State Development, infrastructure and planning, open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Deputy Premier, if you wish you may make a three minute opening statement to the committee.

Mr SEENEY: Thank you, Mr Chair, and I look forward to the opportunity today of addressing that question before the committee in some detail. As you indicated, we have a much longer period of time this year than previously. We have some six hours for consideration whereas in previous years we have had three hours and 30 minutes. With six hours today I think we will have an opportunity to tell the good story that the Department of State Development, Infrastructure and Planning has to tell. I think that will illustrate the stupidity of some of the statements that have been made in the media this morning already about the estimates process. We look forward to the estimates process. It is one of the few occasions during the year where I and my department get an opportunity to tell our story and today, because we have almost twice as long as we have had in previous years, it will be an opportunity for my departmental officers to tell their stories and to talk about their achievements—and there are some great stories to tell from some great officers who have served the people of Queensland through this department and I look forward to giving them an opportunity today to talk about their very considerable achievements.

By way of a formal opening statement, can I say that supercharging the Queensland economy is the key priority for our government. We have recently produced a small summary of our achievements called Supercharging the Queensland Economy, and can I begin by asking your leave to table that for the benefit of the committee.

CHAIR: Is leave granted? Leave is granted.

Mr SEENEY: Supercharging the Queensland economy is the very reason for the existence of the Department of State Development, Infrastructure and Planning. Since we last appeared before the estimates committee, the department has continued to carry out its primary function to create the conditions that will encourage strong economic growth across the state, especially in Queensland's regions. Our government and this department understands that a thriving economy is the foundation for jobs, prosperity and wellbeing for Queenslanders for generations to come. We are accelerating economic development through our signature Governing for Growth strategy that was released here just 12 months ago. This economic framework continues to complement our government's fiscal strategy and shapes our efforts to supercharge the Queensland economy through more than 300 reforms and new programs across all departments.

The independent Coordinator-General, who we will hear from today, plays an important role in delivering the Governing for Growth strategy. In just under 26 months the Coordinator-General has made 300 statutory decisions, including the approval of 12 projects that could create 37,000 jobs for Queenslanders. The government's flagship Royalties for the Regions program has also recorded another successful year with round 3 grants awarded to 19 councils across Queensland. And I will be talking extensively about Royalties for the Regions because it is of particular interest to me and other members who represent regional Queensland. In the past year we have also delivered on our commitment to protect prime agricultural land and help resolve the land use conflicts through the introduction of the landmark Regional Planning Interests Act involving a whole lot of new concepts that were developed, and I will talk about that extensively today too because that has been a great success story, especially for landholders in Central Queensland and the Darling Downs where land use conflicts were out of control.

We have continued our overhaul of the state planning laws by introducing reforms such as the single state agency to manage development applications called SARA, and we will talk a lot about SARA today. We released a new state planning policy to replace 14 policies under the previous government. We have announced the introduction of a new funding stream, the Priority Infrastructure program, which hopefully we will get an opportunity to talk about today. We are also leading a process to create up to three new integrated resort developments in metropolitan Brisbane and regional Queensland. And last week we launched the government's Regions Q framework, a whole-of-government strategy to create vibrant and prosperous regional economies.

The combined efforts of our department and the work of all government departments is clearly paying dividends for the people of Queensland. Queensland is currently Australia's economic powerhouse with a projected average growth rate of four per cent. Much of the credit for those numbers goes to the people sitting in this room behind me today. The most recent ABS statistics show that 62,000 jobs were created in Queensland over the last year, more than half of all the jobs created in Australia. So we have achieved a great deal since this committee last met to consider last year's budget papers and I am looking forward to some questions today on the impressive reforms. No doubt, however, Mr Chairman, I suspect we will see the same sort of approach from the opposition. As you know, in the last couple of years the biggest issue that they could focus on was my travel expenses so could I assure the opposition at the beginning that they don't need to waste any time on it today, they are exactly the same as they were last year. My travel arrangements are exactly the same. The figures are exactly the same. I think last year we were 44 per cent under budget. This year we are 41 per cent under budget in regard to my travel expenses to and from regional Queensland.

I might just conclude there, Mr Chairman, and look forward to an interesting day and say again that I am going to use the extra time we have to allow as many of the officers sitting behind me, of whom I am very proud, to tell their stories to the people of Queensland.

CHAIR: Thank you very much, Deputy Premier, and can I thank you for letting us know your travel expenses. That is more hotly anticipated than Saturday night's lotto numbers. Now that they are out we can all relax and move on. I would like to start the questioning. Because we are spending a full day with your portfolio, we have agreed that we would break it down into areas of interest. That is not limiting anyone to ask questions outside of that, but we are going to ensure that we properly cover the whole of your department and its various areas. The first area we will be looking at will be the Coordinator-General and Economic Development Queensland.

I would like to start with a question relating to the Coordinator-General. Deputy Premier, can you give the committee an outline of the Coordinator-General's performance since taking office in 2012 and some of the key highlights that you believe that the committee should be aware of?

Mr SEENEY: Thank you, Mr Chairman. I think it is a great place to start because the revitalisation of the Coordinator-General's position has been one of the great success stories of our government. Appointing Barry Broe as Coordinator-General was one of the best appointments that our government made. I am going to ask Barry to outline some of his achievements over this current year and forego some of his normal modesty perhaps in giving the committee some information about what he has been able to achieve. Over to you, Barry.

Mr Broe: Thank you, Deputy Premier, and thank you to the committee for the opportunity. When I was appointed on 3 April 2012 I was given a clear objective of fast tracking the assessment of major projects while maintaining the quality of those assessments. Very early in the very first week I set what we felt was—the Deputy Premier and I—an ambitious target of reducing the assessment

times for environmental assessment studies by 50 per cent. I will come later to talk about whether we have achieved that or not. Early on we started tracking the number of statutory decisions. As an update on the number that the Deputy Premier gave earlier, as of yesterday I have made 318 statutory decisions and that is a rate 2.5 times greater than the rate of decision making in the equivalent period before I started. So there are 150 per cent more decisions and that means faster approvals for industry which gives them greater certainty and time savings. We are tracking at about 135 statutory decisions a year, or about 11 to 12 a month, and the previous record for any year before I started was 67 and that was actually during what we call the boom years when there was a significant number of major projects and a very high market upturn I guess in terms of conditions. We have reduced EIS assessment times by 56 per cent. So we have made a significant reduction in the time that my office takes to actually assess environmental assessment studies. That equates to a reduction from 690 business days to 275 business days. So basically from 30 months to 13 months, a saving of 17 months in the time we take. Hopefully I can talk a bit later about one of our next big reforms which will be to assist industry more to actually do their work faster and more robustly so we can save a total amount of time in the whole EIS process.

We also have state development areas across the state. We have a significant body of activity in state development areas. If people want to change the amount of activity or create a development they have to apply for a material change of use approval. The rate of approvals of MCUs in state development areas has increased by a factor of three. So there have been 200 per cent more approvals in state development areas which means more activity in those key economic centres and more jobs for Queensland. Our MCU assessment times have reduced by 42 per cent. They were being done fairly quickly, but we have reduced the assessment time for MCUs by 42 per cent.

In terms of the number of projects the Deputy Premier mentioned earlier, there was a recent approval of the Byerwen Coal project. So I have approved 13 major projects since I began. Some of those have been big Galilee Basin rail projects such as the Alpha Coal project, Kevin's Corner, the Carmichael coalmine, which could be the biggest coalmine in the world with a massive number of jobs, and also the China First project. I have approved 13 major projects. If they all happened it would represent a capital investment of \$61 billion and a total of 38,000 jobs. The approval itself does not mean they will happen, but without the approval they certainly will not happen. It is a necessary precondition to the investment and the jobs actually being created.

My team has also played a significant role in negotiating with the Commonwealth to develop a new assessment bilateral. We have an assessment bilateral agreement with the Commonwealth which means that for certain major projects the state does one EIS and one assessment. The state sets its conditions and then it sends it to the Commonwealth minister to make his decision. Over the last year or so we have seen a significant reduction in the time taken for Commonwealth decisions. That has been helped in large part by the robustness of the assessments we have made. For example, previously the Commonwealth minister would take an average of six months to make his decision after the state has done all its assessments. Now more regularly we have been getting that decision within the 30 business days allowed in the EPBC Act.

We have also had a major program of activity—to give credit to the Deputy Premier, this was led by him—where the Coordinator-General plays a much greater role in monitoring the actual delivery of projects. So not just taking approvals as this is the end result, but monitoring delivery post the CG's report. Once a proponent gets the CG's report they still have to go away and get a whole series of subsequent approvals.

There is a provision in the State Development and Public Works Organisation Act called 'prescribed projects'. There have been about 12 prescribed projects that the minister has prescribed so far. What this simply means is that the Coordinator-General has the ability to step in on certain decisions made by, say, local councils or even a state government agency should that be deemed necessary in the interests of timely decision making. It is a very useful and effective tool. It is not used very often, but it means that all the agencies involved in granting subsequent approvals, like development applications, know that that ability is there. It has been a big boost for industry.

The last activity I will mention at this stage is that we have had a major program of reform with industry on what we call change reports. When a proponent gets a Coordinator-General's report they have a number of conditions they have to meet. We have focused heavily on reducing the regulatory burden for industry and said to industry, 'If you feel that any conditions in these reports are a burden or unnecessary or not actually adding value to the outcome, come forward and put your case forward and we will look at those. We will look at changing the conditions.' We have made some significant changes to conditions. For one proponent we have reduced the number of conditions from 1,400 to

300 for a better outcome and no impact on the environment. There were conditions in the past, including some of the conditions I have set, that I am happy to revisit. If there is a better way of doing things or if industry wants the flexibility to deliver the outcome for a better or similar environmental outcome we are focused very heavily on reducing that burden.

The focus of our reforms in generating the results has been a 43 point fast-tracking action plan. We looked in critical detail at every aspect of our process. The whole reform project was focused on taking time seriously—monitoring time, setting time frames and sticking to them. It meant everybody signing up to time frames—not just us but proponents and the Commonwealth—and actually meeting time frames. That has had a critical impact in meeting the reduction in time frames and delivering results.

CHAIR: Thank you very much for that answer. I call the member for Keppel.

Mr YOUNG: Can the Deputy Premier please outline what the state government is trying to achieve by declaring the state development area over the Galilee Basin?

CHAIR: Can I ask you to make reference to the SDS.

Mr YOUNG: That is on page 4 of the SDS.

Mr SEENEY: Thank you member for Keppel. This was a particular issue for us when we won government because of the failure of the previous government to take decisions that made any sense. I think the Coordinator-General has a map of the particular area which shows the extent of the proposals and the confusion that reigned when we first came to government. We refer to it as the spaghetti mess. They were all railway proposals that stretched across Central Queensland and caused an enormous amount of uncertainty for landholders.

We took the policy decision as a government to minimise the railway corridors and to provide certainty for landholders and proponents. We went through a process in very close consultation with the proponents of understanding the extent to which each of their proposals had progressed and understanding what their needs were and then identifying what we referred to as preferred corridors. Then we engaged in another round of consultation with regard to those preferred corridors before we settled on what has now been declared as a state development area. That is the government's policy position and it is my role to inform the committee about that.

In terms of the actual mechanics of declaring the state development area, Barry would you or one of your staff like to go through the actual mechanics of how the state development area has been declared?

Mr Broe: In January 2014 we initially identified a very large draft state development area that we consulted on. It represented about 1.8 million hectares and affected about 1,400 landowners. We deliberately chose a large area to make sure we covered all the possible proposals and considered all the options. I wrote to about 1,400 landowners, councils and native title groups in January and informed them of the draft proposal. My officers visited the region at that time and met with a number of landowners and offered them the opportunity to have a one-on-one discussion.

At that time there were also a number of specific areas that we identified in Miranda, Collinsville and Bowen where there was concern locally about the impacts of the potential wider SDA. We looked very closely at whether we could remove those areas from the considerations. I recommended to the Deputy Premier that we take them out of the equation. The announcement was made and we did that for no worse outcome. It did not really affect the outcome at all. We removed uncertainty for those particular stakeholders. We received about 120 formal submissions and we met with councils and tried to understand all the issues that were of concern regarding the proposed state development area.

We then looked at all the consultation material. We looked at the proposed final proposal and we narrowed the corridor right down to 106,000 hectares or only six per cent of the original area. The state development area itself was declared on 13 June 2014. From 1,400 landowners we reduced that down to only 74 directly affected. The area reduced by 94 per cent from 1.8 million hectares to 106,000 hectares. We reduced the number of rail lines in contention from previously, as we saw on the map, 2,600 kilometres to 690 kilometres. There has been a big reduction in the rail lines as well.

Following the declaration of the state development area, I appointed a landowner owner liaison manager—a senior officer in my department with expertise in land acquisition issues and stakeholder issues to liaise directly with landowners. Scott Taylor has been directly talking to all the affected landowners now. There are only 74 remaining. We were looking at maps last night. For probably about a quarter of those properties the proposed SDA is along the boundaries and for 75 per cent of

the lots owned privately—that is, noncorporate or government—they are affected by less than 10 per cent of their area. So the point I am making is that we have large lots but we have a relatively smallish state development area.

The current width of the SDA is about 500 to 600 metres. I expect to be able to reduce that down to 60 to 100 metres once we get to the point where proponents do more detailed rail design and planning and they progress more with their projects. Once again, we will be able to minimise the impact of the rail line.

We received about 200 calls on the dedicated line and the calls made directly by the landowner liaison manager have dropped right down now. We are very confident that there is good information out there and people know what is proposed. They have certainty about what is happening. We are working directly with a small group of directly affected landowners and trying to manage the issues if they want to change what they want to do on the land. If they need a material change of use we are happy to work with them. All their day-to-day current activities continue as is and are not affected. I think we have been able to allay concerns and give people information on exactly what is proposed now and what the next steps are.

Mr SEENEY: Thanks Barry. Could I just add that it remains one of the government's priorities to try to unravel the mess that we inherited with regard to planning in the Galilee Basin. We are certainly focused on ensuring planning is conducted properly to allow those projects that are critically important for Queensland's economic future to progress. One of the main priorities in that process is understanding the impact on landholders and doing everything that is humanly possible to alleviate that impact and where that impact cannot be alleviated working with landholders to find solutions to ensure that they do not end up worse off because of it.

CHAIR: Member for Keppel, do you have any follow-up question?

Mr YOUNG: I have just one further question. Deputy Premier, you said that the corridor is 500 metres wide now and it is going to go down to 60 to 100 metres in the final draft. So at this point in time it is still at 500 metres?

Mr SEENEY: I might ask the Coordinator-General to answer that question because it is a question of detail and procedure. I would just reiterate that we will do everything possible to minimise the impact on the landholders. Coordinator-General, you might take the committee through the detail of how we started with a much bigger area and shrunk it down.

Mr Broe: The current width of the SDA is about 500 to 600 metres. That is largely because proponents have not finalised their rail designs yet. They have finalised an environmental impact study and they have an approval, but they have to go through very detailed rail planning and look at much more detailed flood assessments and meet all the flood criteria I have set in my reports.

When we get down to the final detail of the rail design and they get much closer to proceeding to actually construction I will be able to narrow it right down to 60 to 100 metres. We will work with landowners and make sure they know that. We have been getting the message out there. There is still some flexibility in where the rail lines go to try to avoid as much as possible existing or proposed developments or uses of the land that landowners have. We have been able to narrow it right down by 94 per cent and we will narrow it down even further during the next phases.

CHAIR: I call the member for Sandgate.

Ms MILLARD: I refer to page 13 of the SDS for this question. How much time has been taken off a typical Coordinator-General approval since March 2012?

Mr SEENEY: Thank you, member for Sandgate. I felt rather than saw the Coordinator-General grin when you asked that question, because one of the things that the government wanted to do when we were first elected and one of the things as a government we have pursued is to reduce the assessment times for processes. Under the former government, processes had, I think, taken a dominant role over outcomes. We heard a lot of information from a whole range of people when we were in opposition about the difficulties that that was creating from the biggest development, the biggest mining development, the types of projects of state significance as they were known then—coordinated projects as they are known now—that the Coordinator-General deals with, right through to development applications at a personal individual level, and we will talk about the reforms there too, I hope, later in the day.

Against that background, I was a little bit sceptical—optimistic and hopeful, if you like, but sceptical—when the Coordinator-General suggested that we should set a target to reduce the assessment times within his processes by 50 per cent. By 50 per cent seemed like a wonderful target,

but I wondered whether or not it was possible. That was the government's position. We wanted to reduce the assessment times and still maintain the integrity of the process. The Coordinator-General, in consultation with me, set a target of 50 per cent. I might let him advise the committee as to how he went about achieving that target and to what extent he has achieved it. Barry?

Mr Broe: Thanks, Deputy Premier. So we did set a target of 50 per cent, and obviously one of the key things we did first was to set up the ways to measure it. So we had to make sure we had the measurements from the past for each stage of an EIS. We have broken the EIS down into seven different stages and we have measured how much time it has taken and how much time it takes now. Every project manager for every stage is accountable for measuring the time and being accountable for reducing it to the maximum extent possible.

There were a number of reforms that we put in place that individually may not have made a huge difference but when you put them together they have been highly significant. So I will just mention a few. First of all we changed the terms of reference for an EIS. So previously terms of reference were developed for each project. They would be generally over 100-pages long. They were almost longer than some of the smaller EISs themselves. They were very prescriptive, very process oriented, telling the proponent how to do things. We have changed the approach completely to an outcomes focused approach, and we have a much more streamlined and standardised approach to terms of reference, because a lot of the projects, to be honest, are quite similar in many ways. Mining projects have a lot of similarities. Occasionally a massive project comes along that is different. But we have standardised where possible the terms of reference.

We have focused on outcomes so proponents know the rules of the game, they know the standards, they know what they have to achieve, and then they have the flexibility to go away and do the work and do it thoroughly. So part of the process has also been to push more accountability back on the proponents to do the work properly. In the past we would have EISs that would be put out to the public in draft that would have a lot of gaps in them and we would have huge supplementary EISs. We have changed the approach to work with proponents to get it right the first time. So we have put in place project control groups that meet monthly to identify issues and give clear directions to proponents.

We have much stronger liaison and relations with the Commonwealth. In the past my staff would tell me stories that an EIS would start and a proponent would have terms of reference and then they would be just left alone for a year. They would just go away. EISs would drift and things would change or they just would not be given direction and the Commonwealth would not even comment on documents. So we have a much stronger relationship with the Commonwealth—this is before and after the change of government—where officers have worked with us as a team to give clear direction to proponents on what their requirements are and to give them clear direction if they are not happy with something rather than waiting right till the very end.

One of the other big reforms was to move away from prescriptive conditions or processed focused conditions to outcomes focused conditions—so setting the standards and setting quantifiable measures that tell a proponent again what the principles are and what the outcomes are they to have to meet and then give them the flexibility to find the best possible way of achieving that outcome. It has been difficult work and it has required a big change of culture for people to move away from prescription, because it is very easy sometimes to specify process. It is much harder in some of these measures to specify the actual outcome and specify how it is going to be measured.

Another reform was that we changed the approach away from the previous social impact management plans—SIMPs, as we used to call them—where it was mandatory to produce a very detailed SIMP. Industry were not very supportive of that approach because it was very complex, it was very prescriptive and proponents were investing in projects that quite often were not actually dealing with the social impacts of the project itself. So we have moved away from that to a social impact assessment approach where proponents still have to assess the social impacts but they have to come forward with a range of measures on how the impacts will be managed and report on them, but it is not prescriptive, telling them how to do things. It is a more flexible approach to dealing with the issues.

We have also put in place very strong mechanisms with the Commonwealth in terms of a new assessment bilateral and of course we have worked with them on the approvals bilateral which hopefully if it gets through will be a major win for Queensland in having a one-stop shop, with the state being able to make decisions on projects. So currently what happens is—if we take the Carmichael project, for example—the state actually does all the assessment. There is one EIS. All the

matters of national environmental significance are assessed by the state. A comprehensive document goes to the Commonwealth and 'all' they have to do is simply decide on the MNES matters. In the last few projects they have accepted completely our assessment with no additional information required and they just have to decide. The one-stop shop will mean that it does not go to the Commonwealth. The state will decide on those matters according to very strict criteria.

One of the other big reforms which we have put in place is that in the past some of the Coordinator-General's evaluations of EISs would be very broadbrush. It would be like a preliminary approval or a gate on the way to having to do all the subsequent approvals. In the last few Coordinator-General evaluations we have actually had almost a full environmental authority in the CG's report. That is a big gain for industry because it means they have certainty and have a much more comprehensive set of approvals at that stage and less work at the next stage. I might leave it there.

Mr SEENEY: Thanks, Barry.

CHAIR: I call the member for Mackay.

Mr MULHERIN: My block of questions relates to the Galilee Basin and I reference page 4 of the SDS. Before I ask the Deputy Premier the question, I have to place on record that, despite your claims to the contrary, the previous government never envisaged there would be six rail lines out of the Galilee Basin. Anyone who seriously knows the thermal coal business in Queensland would realise that the commercial reality of that is nonexistent. Deputy Premier, why did your government go out to consultation on the Galilee Basin State Development Area in January this year that included four rail corridors when you announced on 6 June 2012 that the government had made a decision to only have two rail corridors?

Mr SEENEY: I am a little puzzled at the context of the question. Our government has always had a policy position that we would have a rationalisation of the propositions that were on the table when we came to government. We would certainly have liked to have had one rail corridor as the ultimate outcome. What we settled on was a proposition that met the needs of all of the proponents. The process that the Coordinator-General has outlined in some detail was the result of extensive consultation with the proponents to ensure that the outcome met all their needs. I think that is probably as good an answer as I can give to the member.

Mr MULHERIN: Even though you said there were only going to be two rail corridors, you went out and consulted on four.

CHAIR: What is your question, member for Mackay?

Mr MULHERIN: I am just making the comment. The Deputy Premier said—

CHAIR: I am sure you would rather use this time to ask questions.

Mr MULHERIN: Thank you, Mr Chair. Deputy Premier, why were Collinsville and Merinda included in the Galilee Basin State Development Area when no rail lines were proposed to go through these towns even back in June 2012, as set out in the map attached to your media release on 16 June 2014?

Mr SEENEY: I think the process for determining the final positioning of the state development area has been well enunciated by the Coordinator-General. We started with a large area within which we knew the final SDA was going to be located. The Coordinator-General has gone through that. I do not have anything more to add to what he has already said.

Mr MULHERIN: Deputy Premier, in your media release the map showed—

CHAIR: Member for Mackay, we are here to examine not the media release but the expenditure.

Mr MULHERIN: With all due respect, Mr Chair, the Deputy Premier put out a media release in relation to the Galilee Basin State Development Area and attached to that media release was a map which showed that Collinsville and Merinda did not have any rail lines going through it.

CHAIR: I understand the point you are trying to make. I am just saying that, rather than linking it to the media release, if you can link it back to the expenditure it will make it easier for all of us.

Mr MULHERIN: It is to do with the SDS, page 4, Galilee Basin. So it is relevant. The issue is why would you put all those residents in those two towns through all that anguish when even your own media release showed a map that did not include those towns?

Mr SEENEY: Mr Chairman, as I said, I think we have explained that. We started with a large consultation area always with the outcome in mind of shrinking the area down, as the Coordinator-General has indicated. I do not think there is much point in me repeating the information that the Coordinator-General has already given to the committee.

Mr MULHERIN: Once again, Deputy Premier, why was 5,000 hectares of agricultural land to the north-west of Bowen and farming areas around Euri Creek included in the initial state development area for the Galilee Basin State Development Area? The opposition office has received complaints that the proponents had assured landholders that this land would not be required. Why was it included when it was not going to be required?

Mr SEENEY: I think the answer to that question is the same as the previous two.

Mr MULHERIN: I am not going to get far.

CHAIR: My advice is you may wish to pursue a different line of questioning.

Mr MULHERIN: Deputy Premier, it appears that you have instructed the Office of the Coordinator-General to initially consult on the largest proposed state development area possible for the Galilee Basin rail project in order to generate unnecessary concerns from landholders and then seek to blame it on the former government. This is evident when the Galilee Basin State Development Area has been downsized by 94 per cent between the initial proposed area in January and the final development area detailed in the State Development and Public Works Organisation (State Development Areas) Amendment Regulation (No. 1) 2014. Do you consider this absurdly broad and alarmist consultation process to be an effective use of taxpayers' dollars?

Mr SEENEY: Mr Chairman, I obviously take issue with a number of implications in the question. We have in the Galilee Basin, as we have with the Regional Planning Interests Act, engaged in genuine consultation with landholders and proponents to an extent which has surprised everybody that has been involved because they have been so used to the sort of consultation from the previous government. I am very happy with the consultation process and particularly the work that has been done by the officers involved. I think the outcome that we have achieved has demonstrated to all of those people involved that that consultation process was genuine in the way that they should be conducted.

Mr MULHERIN: Deputy Premier, how much compensation has been paid out to landholders in the Galilee Basin State Development Area and how many landholders have received compensation?

Mr SEENEY: So far as I am aware, we have not received any applications for compensation for the development of the SDA. There is provision in the act for that. I would welcome the opportunity to consider any such application. That point has been made clear to the landholders that are impacted by the SDA in the Galilee Basin, as it has been made clear to the landholders that are impacted by the SDA in the Surat Basin which was declared by the former government of which the member was a former minister.

Mr MULHERIN: Deputy Premier, did you have any meetings with Clive Palmer before the 2012 election and did you discuss the Galilee project?

CHAIR: Before you answer that, Deputy Premier, I would ask you to reword that question to relate it back to the examination of this appropriation.

Mr MULHERIN: Once again, this relates to one of the proponents of a project in the Galilee Basin. I think the committee has the right to examine whether the Deputy Premier did meet with Mr Palmer prior to the 2012 election to discuss this project.

CHAIR: I would ask you to reword the question so it is more relevant. Rather than a question that would be asked during question time, which is of a broad nature, I would ask you to reword it so it is relevant to the examination—

Mr MULHERIN: I refer to the Galilee Basin Development Strategy with China First. Did the Deputy Premier when he was in opposition meet with Mr Palmer prior to the 2012 election to discuss the Galilee rail project?

Mr SEENEY: I can inform the committee that I have met with all of the proponents interested in the Galilee Basin, both before the election and since the election as you would expect me to, being the minister responsible.

Mr MULHERIN: What was discussed at the meeting? Did you give any undertaking to Mr Palmer or any other proponents of the Galilee Basin on this project?

Mr SEENEY: Once again, as you would expect me to, I certainly do not have meetings with anybody and then publicly repeat what we discussed at the meetings. With all of the proponents in the Galilee Basin, I obviously discussed the issues around the development of the Galilee Basin, particularly the infrastructure issues—port and rail—and the approvals processes that were involved.

Mr MULHERIN: Deputy Premier, I table a *Courier-Mail* article in which the Premier was caught out about whether he had met Clive Palmer in relation to his Galilee rail projects before the election. Deputy Premier, why was the LNP so reluctant to admit that these discussions had taken place before the election? Are you aware of any undertakings from the Premier to Mr Palmer about his Galilee rail project?

CHAIR: Again, member for Mackay, I am going to ask you to reword the question so that it is relevant to our examination. We are not here examining the Premier's expenditure; we are here examining the expenditure of the Deputy Premier's portfolio.

Mr MULHERIN: It relates to page 4 of the SBS, the Galilee Basin and one of the proponents, Mr Palmer, China First, having a meeting with the Premier, who at the time was the leader of the LNP. I ask: as the Deputy Premier is the Minister for State Development, did the Premier give any undertakings to Mr Palmer about this project or any other proponents?

CHAIR: Deputy Premier, I am going to rule that question out of order. I will ask you to reword it. If it is a question that you wish to ask the Premier—

Mr MULHERIN: You do not want to answer that?

CHAIR: Member for Mackay, I ruled the question out of order. I did not give the Deputy Premier an opportunity to answer that. I will now ask you to go on to the next question.

Mr MULHERIN: Deputy Premier, you told the *7.30 Report* that in April 2012 you met with Mr Palmer and that, during the meeting, Mr Palmer gave you a draft bill that would give him—

... the exclusive right to build a port and a railway and have control of the Galilee Basin.

In response to questioning from the Leader of the Opposition in October 2012, you accused her of 'nitpicking' and for asking about one-on-one meetings between you and Mr Palmer on 8 June 2012 and insisted—

When it is appropriate to have discussions about what I consider to be sensitive commercial issues then I do ask my departmental staff to allow me to have a one-on-one meeting with people.

Deputy Premier, if you were so concerned about Mr Palmer's April proposal being potentially corrupt, why did you have one-on-one meetings with Mr Palmer afterwards?

CHAIR: Deputy Premier, I will allow you to answer that within the context of the Appropriation Bill.

Mr SEENEY: Thank you, Mr Chairman. As I said, I have a responsibility to meet with all of the proponents in the Galilee Basin and I meet with all of the proponents on equal terms under equal conditions. I would accept one-on-one—to use the term that the member used—meetings at their request, at the request of any proponent, but it would be the exception rather than the norm. So far as I can recollect, the only time that has been requested is the meeting that the member refers to when Mr Palmer requested a one-on-one meeting when he made the approach in regard to the government granting him access, or exclusive access, to the Galilee Basin in a way that I considered to be completely inappropriate. I rejected that approach and I have not had a one-on-one meeting with either Mr Palmer or anybody else since. That is not to say that I would not take such a meeting if it were requested, but to the best of my recollection I cannot recall any such request being made.

Can I just say that, as Mr Palmer found out, we treat everybody—all of the proponents in the Galilee Basin—on a very equal footing. We do not do the sorts of deals that Mr Palmer requested at the time and we have made it very clear that our government operates with a high level of due process and integrity. That was something that Mr Palmer could not accept and I am surprised that the opposition is not applauding that sort of an approach from government rather than criticising it.

Mr MULHERIN: Deputy Premier, do you accept that there are serious probity issues with having a one-on-one meeting with a significant political donor about his commercial projects and particularly after he has claimed by you to have made inappropriate requests for changes to the legislation?

Mr SEENEY: I just direct the member to my previous answer. I think he is becoming confused somewhat. What I consider to be the inappropriate proposition was put at that particular meeting. I have had a number of meetings with Mr Palmer since but not private meetings.

Mr MULHERIN: But do you not think that there is a perception issue? You have this one-on-one with a major political donor about a commercial project. Anyway, having said that, my next question to you is that, if you believe that Mr Palmer had made an inappropriate request to you, then why did you not mention this in the correspondence to Mr Palmer on 20 April 2012, 9 May 2012, 20 September 2012 and 12 December 2012?

CHAIR: Deputy Premier, I would ask the member for Mackay to reword that again. These are broad questions that we would expect in question time. This is an examination of an Appropriation Bill. I would ask you to reword it so that it is relevant to the committee's examination.

Mr MULHERIN: With all due respect, Mr Chair, this is about a major project in the Galilee Basin and meetings that the Premier had. We have heard from this government that they are out there to facilitate projects. I think that the people of Queensland have a right to know, particularly when the Deputy Premier has made comments on the *7.30 Report* about the inappropriateness of what Mr Palmer had requested of him. I have asked the Deputy Premier, because he has sent letters relating to this project, why did he not mention that in the correspondence. I think it is a relevant question.

Mr SEENEY: Mr Chairman, I am happy to say to the member for Mackay that we deal with all of the proponents in exactly the same way. The messages that were in those letters that you refer to were exactly the same as what were communicated to the other proponents. In fact, they were part of a consultation process that was being conducted across all of the other proponents.

In relation to perceptions that may have been created, to use the member's inferences, I do not think that our government could have made any clearer our response to what we considered to be an inappropriate avoidance of process. There can be no question of perception. We have made it very clear—very clear—to the extent that that is the very reason the Palmer United Party now exists. Mr Palmer could not buy our government, so he went and bought a political party of his own.

CHAIR: Thank you, Deputy Premier. I call the member for Mackay.

Mr MULHERIN: Deputy Premier, in your letter to Mr Palmer on 12 December 2012 you said to Mr Palmer—

"I reiterate my preparedness to meet with you personally on a regular basis to continue to discuss all the issues involving your company's interaction with the State Government.

Why did you offer further one-on-one meetings with Mr Palmer if you were concerned that what he was proposing in 2012 was illegal?

Mr SEENEY: The inference in the question is obviously wrong. I offered to meet with him, as I did with all other proponents in the Galilee Basin, to progress the development of the government's policy in relation to the Galilee Basin and I continue to do that. Even today I continue to offer to have meetings with any of the proponents in the Galilee Basin.

Mr MULHERIN: Deputy Premier, have you held any meetings with Mr Santoro as a registered lobbyist on behalf of Aurizon Holdings Ltd and, if so, were any of these one-on-one meetings?

Mr SEENEY: No.

CHAIR: Thank you. I might now move to the member for Mount Isa.

Mr KATTER: Deputy Premier, I refer to page 3 of the SDS. There is a statement made on the Bruce Highway with a forward projection of 10 years. Being mindful of that, to really flood proof that route from the north and save industries like the banana industry up north you need to go west of the river systems of the Great Divide that are influenced by the high rainfall on the east of the Great Divide. In doing this, you must go down the Hann Highway, which requires final sealing. It is a crucial part of an alternative route to the Bruce Highway, which you can never practically flood proof, yet there is no money in the four-year projections in the budget for this. How do you reconcile these two things—the initiative to address the Bruce Highway and to properly flood proof that route—and the fact that there is no money in the four-year projections for the Hann Highway?

Mr SEENEY: There are a number of issues twisted together in that question and I will do my best to tease them out one at a time. First of all, the upgrade of the Bruce Highway is a key commitment of this government to address the safety, flooding and capacity of significant public infrastructure. We have made a lot of commitments around the Bruce Highway and we put in place an action plan that details a program of works over 10 years to bring the Bruce Highway up to national standards. The Australian and Queensland governments have made commitments to provide more than \$8½ billion worth of funding over 10 years. That money is on an 80/20 funding commitment between us and the federal government.

On a positive note, I might say that a couple of those key projects are already being delivered. The Cooroy to Curra section is a very large construction site at the moment, as I sure you, Mr Chairman, are aware, and similarly the Yeppen flood plain just south of Rockhampton, which the member for Keppel would be well aware of. They are huge construction projects, the type of which we are going to see a lot more up and down the Bruce Highway.

We are also developing this concept of an inland alternative to the Bruce Highway. That is about identifying an alternative for a number of reasons, not the least of which is the one that the member referred to in his question about providing an alternative access during times of natural disaster and flooding and when the Bruce Highway as it will, inevitably, be disrupted. So we are looking at identifying an inland alternative for that reason and also for the increasing drive tourism market that may want to use a north-south route that is less trafficked and, therefore, makes for a more pleasant trip but also to provide economic development opportunities for a range of regional communities in the inland, or the near inland—the hinterland if you like. Any of us who come from regional Queensland know the importance of road infrastructure in that economic development challenge for those communities.

We are currently putting together a proposition that will see additional funding allocated to that inland alternative route—not to the complete exception of every other road in inland Queensland; that would be absurd. But we are suggesting that that route be identified and then be given some priority in terms of the funding that may become available from the Treasurer's Strong Choices program especially.

In these budget documents, you will see that there is a break-up of the \$8.6 billion that will be made available for the investment on infrastructure, and a significant number in that break-up is \$1½ billion for rural and regional roads. If we get the mandate from the people of Queensland at the next election, we will be ensuring that that \$1½ billion is spent on regional roads but it will be spent according to a program and part of that program will be identifying the inland alternative to the Bruce Highway.

I will come now to the specifics of the member's questions, and he has a particular question about the Hann Highway and we are certainly looking at the alternatives. Once you look north of the Flinders Highway as to what the alternative to the Bruce Highway is, it is my view that the Hann Highway is probably too far to the west to fit with the strategy that we are trying to develop about an inland alternative that parallels the Bruce Highway, and it probably will not be part of that concept. However, we understand the strategic importance of the Hann Highway—quite apart from its inclusion or not in the inland alternative. We will be looking for the sort of funding that is required to complete the sealing of the Hann Highway as part of an accelerated roads program in rural and regional Queensland.

To summarise, a portion of the money that we will have available will be spent developing this inland alternative, but there will still be a considerable amount of money to be invested in roads in regional Queensland which are of strategic importance, and there is no doubt that the Hann Highway is high on the list of those.

CHAIR: Just before I go back to the member for Mount Isa, I want to pick up on something the Deputy Premier mentioned with regards to Cooroy to Curra. Tragically, in that area we have had four deaths just very recently and there has been a large community push to bring forward the work with that. I appreciate what you have said on the 80-20 and that it is primarily federally funded. Can you inform the committee as to what fast-tracking we could expect with that? The recent deaths have certainly raised a fair bit of concern in my community with regard to the Cooroy to Curra bypass.

Mr SEENEY: Thank you, Mr Chair. I take particular note every time I drive past there, as you do, because that section of Cooroy to Curra is a great untold story. As you indicated, it is a notoriously bad section of the road and it has been speed limited to 90 kilometres an hour for good reason. The previous government did section B because of the ill-fated Traveston Dam proposal, but I do not think section B was nearly as dangerous as the piece of road that section A will replace.

When we came to government, we had an opportunity to fast-track the construction of that section A of the Bruce Highway and overcome as quickly as we could the obvious danger and the loss of life there. It required an extra commitment from the state government because the national highways have always been funded under the 80-20 model. We were prepared in that instance to enter into a fifty-fifty funding proposition to fast-track that piece of road. Had we not done that, the work that is happening there now would still not have been started. I think it is a great achievement for us when we drive past it to see the work that is happening there and see the sort of road that is going

to be built and know that it would not have happened had our government not been elected. Had we not been prepared to put in the extra \$400 million to lift our commitment from 20 per cent to 50 per cent, then that new road would not have been built and we would have seen a lot more deaths on that notorious section that you referred to.

CHAIR: I call the member for Mount Isa.

Mr KATTER: Perhaps I can reframe this as another question but it is really a follow-up from the last one and I thank you very much for a very comprehensive answer to that last one. I do acknowledge the improvements and the work that is being done on the Bruce Highway. The one specific part of my last question was the fact that the Hann Highway is unique in that it is west enough of those river systems that are influenced by the high rainfall areas east of the Great Divide and that anything further east would be subject to those same river systems that can impact the Bruce Highway—this is all about properly flood proofing that highway. I go back to the original question about an alternative flood-proof route and that section of the Hann Highway. I just wanted to make that comment, and I can reframe that as a question but it probably does not garner us points but I will take those points if you want to.

Mr SEENEY: I am happy to give you a response. As I indicated, there are a number of factors that influence the choice of the roads that will form the inland alternative to the Bruce Highway but that does not exclude the determination of the government to upgrade other roads as well. I have just been informed that the Hann Highway is currently being upgraded in several sections and the Minister for Transport could give you some more information on the work that is actually being done there. We understand it is of strategic importance.

Mr KATTER: Deputy Premier, I refer to page 4 of the SDS at dot point 4. It is to do with the cost of energy in the north-west mineral province and the impetus to develop North Queensland and specifically North-West Queensland. We are 100 per cent reliant on gas fired power in the north-west, and the energy minister in the estimates last year acknowledged a study that said the cost to domestic industry for the impending rise of gas prices could be a factor of 20. That would highly impact on the north-west users. What strategies are in place with the government to offset the impending rise in energy prices in the north-west where we are 100 per cent reliant on gas fired? Does this impact on the drive to find any other alternative provision of energy out there?

Mr SEENEY: Thank you. This is an issue that has been well discussed for as long as I have been in this parliament, and as shadow minister I used to raise it regularly with the former government. I think the situation is well enough understood. Our government, like the previous government, would be only too pleased to establish alternative energy supplies in North Queensland but we have to find a way to make that viable and no-one has found that yet.

Mr KATTER: Thanks. As a supplementary to that, is the minister aware that the BHP Cannington mine, one of our largest mines in that area, recently brought back on the table the transmission line as a priority as a way to counter the effects of that rising gas price and a way to still facilitate any sort of industry growth out there in light of those price rises?

Mr SEENEY: I know that there have been a whole range of options looked at and that will continue until we find a solution to a problem that we all recognise.

Mr KATTER: I refer to page 4 of the SDS again and the progress on the inland rail implementation scheme. To the best of my knowledge, there have been discussions but no actions and no independent coordinator put in place in the last two years of the government, despite the urgent nature for reforms along that line. I refer then to a comment on page 8 of the SDS talking about asset sales. What does that mean in the context of the asset sales with the implementation of anything that is achieved through that Inland Rail Implementation Group?

Mr SEENEY: I presume the member is talking about the rail from Townsville to Mount Isa. The inland rail is a term that is more commonly used for the Brisbane to Melbourne line, but I understand the question that the member is asking. Last week I think it was when I was in Townsville, I addressed the final meeting of the group that had been set up to look at the supply chain for the Townsville port, and of course the railway line was an important part of that. One of the recommendations they made was for this supply chain coordinator. Since then, the Treasurer has announced as part of the Strong Choices campaign a proposition to include the rail and the port as a package. The private sector may seek to invest in some way, so we will be awaiting the outcome of the proposition that we will put to the people of Queensland at the next election.

Mr KATTER: As a supplementary, that would suggest to me that there is no certainty that any outcomes from that independent supply coordinator would not necessarily carry over if there was a change from the Strong Choices?

Mr SEENEY: A number of the recommendations that they made are already being implemented, but in terms of the long-term planning for the infrastructure asset, obviously that will depend on the extent to which the private sector is prepared to invest in it and who the private sector investors are.

CHAIR: I call the member for Burleigh.

Mr HART: I take us to Economic Development Queensland for a minute. Minister, I refer to page 30 of the Service Delivery Statement for State Development, Infrastructure and Planning where it states that Economic Development Queensland is 'progressing the delivery of the Gold Coast 2018 Commonwealth Games Village' and that there is a regional budget for the Gold Coast where an allocation of \$49.1 million is provided. As a member from the Gold Coast, can you tell us how the progress of the village is going to date?

Mr SEENEY: Thank you, member for Burleigh. It is a good question because, once again, this is a great good-news story that never gets told. Just like the railway lines in the Galilee Basin, the former government's proposition for the Commonwealth Games and the Commonwealth Games village in particular was poorly developed—to be as kind as I can—and was an absolute mess, to be more honest. Coming into government, we had to try to find a solution in a way that would meet the commitment that the state had obviously given to the international community in respect of being able to stage the Commonwealth Games.

While the Minister for the Commonwealth Games, Jann Stuckey, is my ministerial colleague, our department is responsible for the provision of the infrastructure. We like to say that we are the builders and they are running the show. They are running the party; we are building the venues. We have picked up the mess that we inherited and I think we have developed a proposition that will leave a valuable legacy for the Gold Coast community. That has been one of our overriding imperatives—to make sure that we not only have a successful Commonwealth Games but we have a legacy especially in regard to the village and the other sporting infrastructure that will contribute to the Gold Coast for a long time in the future. I might ask if Paul is the appropriate person to take you through the details of where the actual process is at the moment, or he might like to delegate it.

Mr Eagles: Through you, Mr Chair, in brief, the development is on budget and on schedule. In terms of the specifics, once fully developed it will be an economic stimulus of the order of \$2 billion, with an estimated 30,000 full-time equivalent jobs. In terms of the process to get to where we are, on 1 October 2013 the Parklands site was transferred to Economic Development Queensland for the redevelopment of the site. The demolition work commenced on that day and all demolition of existing buildings, structures and services along with the removal of excess material is now complete. At the same time, early improvements to roads and transport in the precinct have been undertaken in conjunction with the Department of Transport and Main Roads, including a new bus layover facility for TransLink to provide layover space for six buses along with a drivers' rest room and break facilities. Construction of this facility is complete and has been operational since 1 April 2014. Economic Development Queensland has also constructed temporary road access onto Smith Street to minimise traffic impacts at Parklands Drive. This is used for heavy vehicle movement to and from Parklands.

In December 2013 the Queensland government announced Grocon as the preferred developer of the games village, and in March this year Grocon's release to the community was a follow-through of their master plan. The site will be handed over to Grocon in August to commence further early infrastructure works following the allocation of \$49.1 million in the recent state budget. Construction of the games village by Grocon is expected to start in early 2015. In the lead-up to the Commonwealth Games, Economic Development Queensland and Grocon will continue to consult with the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) regarding the games works. The requirements for the Commonwealth Games have been fully considered in the proposed master plan and the management of the project, including incorporating designs to ensure that the residential and non-residential components of the village will result in the most positive games experience for the athletes and team officials. Minimising the overall cost of the redevelopment of Parklands by maximising the use of permanent facilities was also a key consideration.

In terms of the key elements of the Grocon proposal for the Commonwealth Games village, it will be one of the most significant legacy outcomes for the games and will deliver substantial residential and mixed-use health and knowledge development for the Gold Coast as it becomes a

new community in which people can live and work. After from the games the village will be transformed into the residential hub for this new vibrant, mixed-use, master planned health and knowledge community. The master plan that was approved by the government on 27 June this year sets out the vision to create a heart for the Gold Coast health and knowledge precinct. The vision is to produce a remarkable place: in the short term, for the Commonwealth Games; in the longer term, as a new development.

The Commonwealth Games village will occupy over nine hectares of the 29-hectare site and includes 2.7 hectares of roads. Works to be undertaken by Grocon will include residential development to accommodate 6,500 athletes and officials during the games, the associated minor roads, services and infrastructure, as well as any permanent retail and commercial development and recreation and community facilities. The core to the master plan will be the village heart as the community centre of the development, which will connect the Parklands civic centre with Hospital Boulevard and 'Main Street'. It will be a vibrant place with a retail centre, a 5,700-square-metre neighbourhood shopping centre, as well as recreational facilities and a seven-hectare park. The civic area has a strong Queensland style and will include a water sculpture which will be spectacular both day and night, an urban wetland and community lake, and also an harbour and outdoor amphitheatre.

Grocon will deliver a mix of high- and low-density residential development: a total of 1,252 permanent dwellings comprising 1,170 one- and two-bedroom apartments and 83 townhouses will be constructed. These will be delivered across 30 buildings ranging up to nine storeys in height. Construction of the Commonwealth Games village will be completed in mid-2017 to enable GOLDOC to provide the remaining overlay requirements for the site and finalise preparations ahead for the start of the games.

Approximately 12 hectares of the Parklands site is earmarked for future health and knowledge development. The Queensland government, Council of the City of Gold Coast and Griffith University have long held a shared vision for the redevelopment of Parklands. The future development of the Gold Coast Health and Knowledge Precinct and how Parklands may fit into that, as well as the economic diversification of the Gold Coast, will remain a key legacy focus as we work on this project. Economic Development Queensland continues to consult with the key stakeholders in relation to the development of the Parklands post games. In February 2014 council established the health and knowledge working group, whose membership includes Griffith University, Queensland Health, Economic Development Queensland and Grocon. Economic Development Queensland meets with officers at all levels of council to discuss the role of the health and knowledge precinct and opportunities within Parklands, with ongoing discussions being held around employment creation pre and post games to assist in the diversification of the local economy.

Economic Development Queensland has also provided feedback on council's economic strategy, including future Parklands development opportunities, with the aim to maximising legacy outcomes. Planning and investment in infrastructure within the precinct is of vital importance to the success of the future health and knowledge precinct. Agreement has been reached between Economic Development Queensland and council's infrastructure and public realm works, including the fully designed and built seven-hectare park, as I mentioned before. Economic Development Queensland has also been consulting with the operators of GoldLinQ, Queensland's first light rail system, to ensure that Parklands includes an integrated light rail station as well as a plaza park opposite the station to enhance the public realm. Consultation has also been undertaken with council in planning and investment in high-quality cycle lanes to minimise conflicts with traffic and to ensure that connections across Smith Street will allow the easy movement of staff and students around the precinct.

Economic Development Queensland is also working with the Gold Coast University Hospital on future uses of the site and development opportunities post games, including possible hospital related allied health development between the hospital and Griffith University. Based on assumptions about the legacy use of the site and estimated gross floor area yield for the future development of the health and knowledge precincts, several thousand jobs are estimated to be located at Parklands once the site has been redeveloped.

To support the delivery of the Commonwealth Games village, while also promoting longer term development opportunities, the 29-hectare Parklands site was declared a priority development area on 1 February 2013. At the time of declaration the interim land use plan took effect, which provided for approvals for the early works undertaken by the state to prepare the site for development. During 2013 the strategic planning and urban development teams within Economic Development Queensland worked together with council and other key stakeholders to prepare the development

scheme, which is the overarching plan for the site. The state undertook community consultation on the proposed development scheme between 29 July and 13 September 2013, including two community information sessions. During the submission period a total of six submissions were received. No major changes were made to the scheme in response to the matters raised. The final development scheme was adopted on 6 December 2013, and all development applications are now being assessed against that scheme. The economic development team who are focusing on the project are dedicated to not only the early works and Grocon getting onto site, but the post-legacy works in conjunction with the other stakeholders. Thank you, Mr Chair.

Mr SEENEY: Thanks, Paul.

CHAIR: Thank you. Deputy Premier, I just might pick up whilst we are on the economic development areas, because I know on the Sunshine Coast there is the Maroochy City Centre Priority Development Area, but there is also the Southport Priority Development Area. Could you perhaps give us an outline as to how those PDAs will benefit those communities and the background to them?

Mr SEENEY: Thank you, Mr Chairman. The PDAs I think have been one of the great success stories of the changes that our government has made and one of the great success stories of planning reform generally, but the changes that we made when we brought together the Urban Land Development Authority that existed under the previous government with some units within the department existing at the time that had been charged with the development of industrial land—what was that unit called, Director-General?

Mr Edwards: The Property Services Group.

Mr SEENEY: The Property Services Group. The Property Services Group had done a great job over a long period of time below the horizon—in a lot of respects below the radar—but they have done a great job over a long period of time in facilitating the development of industrial estates; likewise, the Urban Land Development Authority. Even though the philosophy that had led to its setting up by the previous government was not one that we shared, the ULDA had accumulated a great deal of expertise and it was, I think, opportune that we were able to bring those two groups together and change the way that they operated and focus on planning outcomes and delivery of infrastructure.

The concept of a priority development area was conceived which would allow a council to nominate an area. It is relevant to make the comment that we were determined to work in cooperation with councils wherever possible rather than override councils, as the previous government had done—and caused a lot of disaffection and anger amongst councils—in their declarations of UDAs. In the declaration of PDAs we have been very keen to engage with councils and cooperate with councils.

I can say that from our perspective—and the Director-General and I have had this discussion—we completely underestimated the demand that there would be for PDAs from councils. There have been quite a number of PDAs granted. The first one was the Commonwealth Games village; then the second and third were down at Redlands at the request of the council there. The two that you have referred to, Mr Chairman, at both the Southport CBD and the Maroochy CBD, the respective councils are very keen to progress with the development of those PDAs and councils have been very keen to take advantage of this planning mechanism. The government was one that was elected on the platform of driving economic development and working closely with councils to identify economic development opportunities in their particular communities, and the PDA mechanism has been a great mechanism to do that.

I might ask Paul again, who was one of the architects of the PDA concept—in fact, the person who coined the term—to take us through some of the detail of the PDAs that have been declared and where the processes are up to at the moment. Thanks, Paul.

Mr Eagles: Mr Chair, as the Deputy Premier has indicated, the Economic Development Act was a marriage of two pieces of legislation: one related to delivery of housing under the Urban Land Development Authority Act and one relating to the development of industrial land, the Industrial Development Act 1963. The new Economic Development Act's purpose was intentionally very broad and it was to do with economic development per se, so not specifically limited to residential or industrial economic development in its entirety. The other key features of the act which have led to the six PDAs declared since the act came into being was the ability for local governments to use the legislation to enhance economic development activity in their area through the declaration of a priority development area. This was a major change from any of the previous legislation. In addition, the

legislation contained provisions for the creation of what was called local representative committees, which was another enhanced way for local representatives or local communities to be involved in the economic development activities of certain areas.

So it is a very broad piece of legislation, and the types of PDAs that have been declared since it has come in actually gives rise to that broadness. The first one, the Parklands PDA that I have just spoken about for the Commonwealth Games village, was declared on 13 September 2013. It was finally approved in December 2013. The Blackwater East PDA as a development scheme was put on display in November 2013 with a final approval in April 2014. This is a PDA to actually allow for the preplanning of residential land ahead of the next boom in Central Queensland so that a land supply will be able to be brought onto the market very, very quickly to ensure that the higher price rises seen in the last boom do not occur again in Blackwater. The Toondah Harbour and Weinam Creek Priority Development Areas went on public display from 10 January to 24 February this year, and they were finally approved in May of this year. The two are similar in type in that they are both coastal and both relate to harbours or marine activities, but on-shore development including other commercial activities and residential components. For the Redland Shire Council these were seen as two gateway areas to their city from the bay, and the PDA process allowed them to give confidence to the market to look at these with some interest to develop.

The Maroochy city centre draft development scheme went on display from January to March of this year with a final approval expected—it might have actually just happened. It has, yes, the other week. So it has just happened. That was one that was designed specifically for the broadest range of economic development activities, being the city centre. So there is a full range of residential, commercial, retail and supporting uses for that PDA.

This is a major development that the Sunshine Coast Regional Council is wanting to do in their local authority and it is going to be their key centre—their heart for the local authority. So the importance of that has certainly driven them to look at a planning regime which gives certainty, quickness and responsiveness to development.

The Southport PDA draft development scheme went on public display in April-May 2014 and its final approval is expected midyear as well. Again, this is a local authority using the legislation for its purposes to provide an incentive for industry and developers to invest in a major heart of the local authority. Southport itself is a large area. It has a large retail base already, but it is seen by the local council as being the heart of the Gold Coast.

Mr YOUNG: Deputy Premier, I refer to page 3 of the Service Delivery Statements. Can you tell us how and what types of projects are being delivered throughout Queensland's regions through the Regional and Resource Towns Action Plan?

Mr SEENEY: Like so many other things we have to deal with, this, too, was in response to the complete failure of the previous government to deal with the pressures, if you like, on regional communities that were at the centre of resource development. Coming from Central Queensland as you do—and I do—you know well enough what those pressures were. We were determined to try to do what we could in relation to it. Our government had made the promise to grow the economy and we are working with a number of initiatives across Queensland to ensure our government's focus is on economic growth.

In August and September 2012 a series of regional workshops were facilitated by my department in Dalby, Roma, Mount Isa, Emerald, Toowoomba, Cairns, Rockhampton, Bundaberg, Gladstone, Moranbah and Mackay. These workshops discussed the challenges of the towns that had been impacted by the resource sector. After considering the issues raised at the workshops and investigating potential solutions for them, our government launched its response, which we called the Regional and Resource Towns Action Plan, in March 2013.

The main benefits for the regions and the resource towns can be summarised, I guess, in a number of key issues that were identified in the workshops. It was about housing availability, affordability and diversity; residential, industrial and commercial land demand and supply and balance; infrastructure coordination and funding gaps for that infrastructure; and planning practices inhibiting growth and development.

A major focus of the Regional and Resource Towns Action Plan has been the facilitation of land development and residential diversity in resource communities. Together those activities have encouraged more homes to be built in those communities and more appropriate and affordable housing being made available in those communities. Other activities that our government has been undertaking under the Regional and Resource Towns Action Plan are unlocking land for development

through the resolution of native title issues in the Isaac, Central Highlands and Maranoa regional council areas, and town centre rejuvenations in Moranbah and Blackwater to increase retail and commercial options. We funded minor drainage stormwater upgrades in Roma to reduce localised flooding in conjunction with major drainage works such as the levee construction under the Royalties for the Regions program, which I am sure we will get to talk about later in the day. This activity has been estimated to stimulate over \$2 million in economic development in the construction industry locally. We have also been assisting councils to identify the potential of council owned land for further development.

The Royalties for the Regions program has also contributed towards housing affordability through its coordination and interlinking with the Regional and Resource Towns Action Plan. So the Regional and Resource Towns Action Plan is not a stand-alone process; it complements the wider planning reforms occurring across Queensland to create a simpler, more responsive planning system. It also links eligible projects to our government's Royalties for the Regions program, which invests back into the regional communities, improving regional infrastructure, prosperity and quality of life.

One example is the Mackay Regional Council Marian Water Treatment Plant, which successfully received nearly \$6½ million in round 2 of the Royalties for the Regions program. The water treatment facility will meet the future water supply needs of the townships of Mirani and Marian in terms of both quality and quantity. Due to the higher cost of housing and limited urban land available for development within the nearby centre of Mackay, it is intended that future land releases in Marian and Mirani will accommodate a significant proportion of the region's population growth at a more affordable cost for homebuyers. So Royalties for the Regions in this example enabled key infrastructure that was about addressing the issues identified in the Regional and Resource Towns Action Plan to make these affordable land releases possible and made sure they went ahead.

Another example I can talk about with regard to the Regional and Resource Towns Action Plan is the Clearview Rise project—another great example of creating affordable housing in the Surat Basin. The imbalance of housing supply and demand has led to spiralling housing purchase and rental prices and a lack of affordable housing options. The Roma priority development area, Clearview Rise, has been designed to address these challenges. Clearview Rise is an eight-stage residential development which will provide approximately 300 homes varying from the traditional four-bedroom homes to studio apartments, terraces and lofts. Economic Development Queensland has fast-tracked several stages to accelerate the release of this land to the market. The release has seen various construction companies develop sites, currently advertising for house-and-land packages ranging from \$239,000 to \$466,000 and land-only prices starting at \$94,000.

The acceleration of the release has also impacted on augmentation required for sewer and stormwater upgrades. The Queensland government has committed \$1.1 million to upgrade the sewerage system in Clearview Rise as a result of the Regional and Resource Towns Action Plan. Economic Development Queensland has specifically designed Clearview Rise to be sustainable by incorporating features such as energy-efficient home designs and appliances; embodying energy reductions through efficient use of materials on smaller sized homes; and using water-efficient home and landscaping designs. As a result, homes at Clearview Rise use 48 per cent less energy and so produce 48 per cent fewer carbon emissions than other homes in Roma. On average, residents of Clearview Rise can expect to use 69 per cent less water annually than other residents in the rest of Roma. My department will continue to work on these critical issues with the Maranoa Regional Council to ensure the Clearview Rise development and other significant developments in the Roma community are realised through the Regional and Resource Towns Action Plan.

Mr MULHERIN: My question relates to the Galilee Basin, page 4 of the SDS. Deputy Premier, I note that on your pecuniary interests register you have declared shared charter flights with Galilee proponents Adani and GVK, who you have held regular meetings with. Why are you accepting these flights from other proponents but no longer accepting flights from Mr Palmer's China First?

CHAIR: Within the context of the Appropriation Bill.

Mr SEENEY: Thank you, Mr Chairman. I just reiterate that the SDS is about ensuring the Galilee Basin is developed for the benefit of generations of Queenslanders and we deal with all of the proponents in the Galilee Basin on an equal basis. I do not think our government could make that any clearer. I think it has been made very clear right from the start that we deal with everyone on the same basis.

Mr MULHERIN: But this is a perception issue, Deputy Premier. You take flights from other proponents when you and your department will assess their projects. Surely there should be some separation. It gets down to the whole issue around probity. It is not a good look.

CHAIR: That is a statement, not a question. Member for Mackay, I invite you to ask the next question. Member for Mount Isa?

Mr KATTER: In relation to Royalties for the Regions and addressing housing problems and specifically Mount Isa, we had a very pressing housing problem and one of the barriers was sewerage and water. An application was made to Royalties for the Regions and I think it took until the third round to get funding. It is a \$7 million project that Mount Isa faces. Once that sewerage system is built there is cheaper water and the ability to sell that water to the mine, so a component of that is self-funding from private industry or the mines paying for that water. So it fits the criteria very well. Out of \$101.5 million of investment in Royalties for the Regions, \$500,000 in total has been allocated to Mount Isa, which as a business was voted in the Q150 most significant businesses in Queensland's history, contributing to the economy. Does the Deputy Premier see that that is a fair allocation from Royalties for the Regions—\$500,000 out of \$101.5 million for a project that cuts right to the heart of those housing problems through water and sewerage and which has subsequently become a big problem for that area in that it does not have that ability to deliver water or take the sewage from any new development?

Mr SEENEY: The applications for Royalties for the Regions are assessed independently by officers of my department against set criteria. I think the issue the member for Mount Isa is raising has been discussed before. I think officers of my department worked with the applicant in that situation over a number of meetings to ensure the applications from Mount Isa were able to meet the criteria. We are happy to do that. If you as a local MP want to be involved in projects we are happy to work with you and councils to fit the applications to the criteria at any time. But they are about meeting the criteria, not about some sort of a concept of fair share.

Ms MILLARD: Could the Deputy Premier please outline the opportunities EDQ is giving to young apprentices in regional Queensland?

CHAIR: Deputy Premier, we will break at 10.45 so you have five minutes.

Mr SEENEY: I have five minutes to talk about apprenticeships? Well, I will try to address what is a very important issue for the member for Sandgate: young apprentices in regional Queensland. It certainly goes to the heart of one of the broader strategies that we as a government have about growing regional Queensland and in fact one of the strategies that is shared by the people of Queensland, because it was identified in the Queensland Plan.

Economic Development Queensland is working with local training organisations to give Roma apprentices, for example, a kick-start to their careers by providing apprenticeship opportunities within its Clearview Rise residential development. As part of a broader program EDQ has been undertaking in recent years to provide apprenticeship opportunities in its residential projects. Over the last 12 months apprentices from Tec-NQ in Townsville have been building two homes within The Village residential development at Oonoonba. EDQ has been working with the teams to help market the homes, which are due to go to auction shortly. At Fitzgibbon Chase EDQ undertook the Fitz Blitz challenge, where 12 apprentices prefabricated an architecturally designed building over 15 weeks and then assembled it in 24 hours on site.

In the latest project, EDQ, in conjunction with Golden West Apprenticeships Roma and the Roma Southern Queensland Institute of TAFE, is currently tendering for a local builder to construct a new three-bedroom home at Clearview Rise with the assistance of five students or apprentices that are just starting out in the construction industry. EDQ is funding the training costs for the apprentices, such as TAFE classes and wages, with no cost to the builder as an incentive for the builders to participate. EDQ is also providing the land and funding the cost of building the three-bedroom accessible home, which will be gifted to the Maranoa Regional Council upon its completion to aid in the relief of rental stress for key service providers. It is part of our government's strong plan for a brighter future for the Maranoa region, and it is one of the several steps we are taking in collaboration with the Maranoa Regional Council to address the sharp rental and property price increases the town has experienced due to the resource sector growth. EDQ has previously gifted seven homes to council within Clearview Rise to assist with housing affordability. Builders looking to tender for this project that can identify further training opportunities with their subtrades will be given preference, as well as those builders who plan to engage local community and high school students.

The apprentice built home training strategy is a unique vocational training scheme that will provide a training framework to achieve trade competency. Up to five apprentices will be sought from high school students undertaking a certificate I in construction, and mature-age students and those on the out-of-trade register are also eligible to participate if they require vocational placement hours to

work towards completing their qualification. Each apprentice will receive an individualised training plan, and for those apprentices who are industry experienced this plan will identify any gap training requirements. Approximately 600 hours of vocational placement, TAFE and study hours per apprentice is expected from the program. With five apprentices, approximately 3,000 training hours will be achieved.

Clearview Rise is a vibrant master planned community currently under construction two kilometres from Roma's town centre and it gives a good example of how we are providing opportunities for apprentices in regional communities.

Proceedings suspended from 10.46 am to 11.15 am



CHAIR: The committee will continue its examination of the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning. The focus for this session will now be on state development. I call the member for Mackay.

Mr MULHERIN: I have a question for the director-general. I refer to page 7 of the SDS relating to staffing and page 41 relating to employee expenses. Director-General, have you ever had any conversations, sighted any documents or received or given instructions relating to the unauthorised release of personnel information of a public sector employee?

Mr Edwards: No.

Mr MULHERIN: These questions relate to page 4 of the SDS and the role of the department to continue to facilitate major resource projects, and it relates to FIFO, Deputy Premier. I table two reports from the Queensland Treasury—the *Bowen Basin population report 2013* and the *Bowen and Galilee basins non-resident population projections from 2014-2020* compiled by the Queensland Government Statistician's Office. Does the Coordinator-General and the department of state development incorporate these documents into policy decision making and, if not, why not?

Mr SEENEY: Yes, they do. They take into account all available information.

Mr MULHERIN: In the *Bowen Basin population report* for 2013 it details that the economic conditions have fundamentally changed in the basin reflecting a loss of 9,000 jobs since the height of the mining construction boom. In 2011 just three per cent of hotel and motel rooms were vacant across the Bowen Basin compared with 37 per cent in 2013. Considering this substantial change in economic conditions, has your department or the Coordinator-General reviewed the approval conditions for the use of fly-in fly-out workers for existing mines in the Bowen Basin? If not, why not?

Mr SEENEY: I think it would be unfair to change the conditions in relation to the two mines that I think the member is referring to that were approved by his government, because that would involve a whole range of changes to transport options that are currently used by people who have established their homes in particular places, but in the broader context I agree with the member. The conditions have changed completely since those two approvals were given and I think those changes will be, as you would expect and as I have indicated publicly, reflected in any conditioning in the future.

Mr MULHERIN: If you think it is unfair, why did the Coordinator-General see the need to change the 900 temporary units to permanent accommodation for non-resident workers at Buffel Park in December 2013 when accommodation vacancy rates are skyrocketing to historic highs across the Bowen Basin? You can change it for one thing but you cannot change it for this post code apartheid that some of the companies are using.

Mr SEENEY: Mr Chairman, it is worthwhile reminding everybody, and I think everybody knows, that the approvals that the member for Mackay is referring to were approvals that were granted by his government in a very different situation. I agreed with them at the time and I supported his government at the time in addressing a particular problem. That problem no longer exists. The conditions have changed markedly in Central Queensland resources towns, but to draw the conclusion, as he is doing and as other people have done, that that is as a result of the two approvals that were given is a very long bow indeed. You are not going to solve the problem that he is referring to by changing the conditions that his government implemented.

Mr MULHERIN: Why did you see the need to change from 900 temporary units to permanent accommodation for non-resident workers at Buffel Park in December 2013 when your own department's statistics tell a different story about accommodation needs?

Mr SEENEY: You are referring to the change that was made in relation to the camp at Buffel Park; is that right?

Mr MULHERIN: When they approved Daunia and Caval Ridge, the Coordinator-General approved temporary accommodation, not permanent accommodation, at Buffel Park. In 2013 where you have vacancy rates across hotel and motel rooms of 37 per cent your Coordinator-General changed the temporary 900 rooms at Buffel Park to 900 permanent rooms. You said that you cannot change people flying in and flying out, but you can change the accommodation with the stroke of a pen.

Mr SEENEY: Mr Chairman, I am not sure what the member is alluding to. He seems to be suggesting that we close down the camps and force people to stay in hotels and motels. I am not sure that is a viable proposition.

Mr MULHERIN: No, no. You changed the accommodation from temporary to permanent.

Mr SEENEY: The broader FIFO issue has been well and truly discussed. Unfortunately, it is used in an emotive way by people every time it comes up, and it comes up every time there is a bit of a downturn in the resources sector. Most of the correspondence I get in my office comes from one of two sources. It either comes from people who live in Sydney or Melbourne who have made ill-advised investments during the top of the boom and are now complaining bitterly because they cannot get \$3½ thousand a week in rent. I have no sympathy for them at all because I believe that our communities in regional Queensland should be normal communities where normal housing availability and rental markets apply.

The other source of emotive claims about the FIFO issue comes from the CFMEU, which has a particular philosophical position which I have discussed in the parliament a number of times. The basis of their argument is that we should force people to live in particular places. That is obviously not something that we can physically do, let alone philosophically want to do. Our government has taken a view that we need to ensure that workers have the best choices they can in regard to where they live. I am particularly keen to see people live in regional centres. I know that is attractive to people who have a fly-in fly-out lifestyle. They like to live in centres such as Mackay, the Capricorn Coast and Airlie Beach because they are close enough to be home in an emergency.

A lot of people who enter into this debate have no real contact with people who live this lifestyle and do not understand the motivators that drive them. One of the things that is really important to people who travel in and out to work is to be able to get home in an emergency. If you have to fly for six hours or four hours, it is a very different proposition than if you are a couple of hours drive from home so if you have a family emergency people can get home. That lends itself to regional communities playing a major role in providing the lifestyle that workers find attractive for their wives and families or spouses and families. There is a whole range of issues in relation to employment opportunities for other members of the family such as educational opportunities for kids.

As we discussed earlier this morning, our government is also very keen to ensure that the resource towns are viable communities. We have put money into that to try to ensure that they do provide an alternative choice for people. For a lot of people it is a great choice to live in small communities and be part of a small regional town—the lifestyle that my wife and I have chosen for all of our life. We live in a small town and there are advantages and disadvantages in doing that. But to make that a viable choice we have to make sure that towns like Moranbah, Dysart, Tieri and Blackwater are functioning communities; that they are not just mining camps by another name or mining camps with a different form of accommodation.

One of the elements in that decision is locating mining camps outside the community so that the community is not dominated by mining camps. I think that was one of the elements in the decision that the member was questioning about the Buffel Park mining camp. It is separated from the community to some extent and it allows the community to develop. That is a bit of an about-face on the part of some communities' councils which originally wanted the mining camps to be located in their towns so they could benefit from the infrastructure charges they were able to levy on those camps when they were first established. But I think right across Central Queensland now right across the industry and local governments there is a realisation that to have a properly functioning regional community there needs to be a limit to the amount of temporary camps within that community. They need to be located separately and there are some great examples of that. The MAC camp is one of the better examples. It is a company that specialises in providing this sort of accommodation.

Mr MULHERIN: Deputy Premier, the question was why did you see the need to change the 900 temporary units?

Mr SEENEY: I think I just explained that in specifics.

Mr MULHERIN: You haven't.

Mr SEENEY: The camp provides—

Mr MULHERIN: So you can change it for accommodation but you cannot change it for workers?

Mr SEENEY: I cannot give the member any further information, Mr Chairman. I think I have dealt with it in some detail.

Mr MULHERIN: I note that under every scenario modelled by the Queensland Government Statistician's Office it is expected that the number of non-resident or fly-in fly-out workers on shift in the Bowen Basin will remain below the 2012 peak until at least 2017. Why is the government approving more permanent non-resident worker accommodation in this economic climate? Did the Coordinator-General factor any projections for the use of non-resident workers across the Bowen Basin into his decision to change 900 temporary units at Buffel Park into permanent accommodation and, if not, why not?

Mr SEENEY: Mr Chairman, I think I have answered that question in the previous answer. I have nothing further to add.

Mr MULHERIN: Your own Queensland Government Statistician's Office says that fly-in fly-out shiftworkers will remain below the 2012 peak and what we are seeing is more camp accommodation being approved. That is the point I am making that the Deputy Premier fails to address.

CHAIR: The Deputy Premier has answered the question, member for Mackay. Next question.

Mr MULHERIN: I table a copy of the LNP energy and resource strategy that committed—

Mr YOUNG: Mr Chair, how does this relate to the Service Delivery Statement?

Mr MULHERIN: This relates to 'continue to facilitate major resource projects'. I table a copy of the LNP's energy and resource strategy that committed that an LNP government would not support any 100 per cent fly-in fly-out mining operation workforces. Similarly, the Premier in July 2011 said that 100 per cent fly-in fly-out is just simply something we would not tolerate if we get into government. Deputy Premier, why has your government failed to implement a single policy to deliver on this election commitment?

CHAIR: Deputy Premier, before you answer that, member for Mackay, I would invite you to reword that question so it is relevant to the examination of the Appropriation Bill. We are not here to examine election commitments. We are here to examine the Appropriation Bill that is before the parliament.

Mr MULHERIN: Doesn't the policies of a particular party—

CHAIR: I invite you to reword the question.

Mr MULHERIN: Deputy Premier, why has your government failed to implement a single policy to deliver on your LNP's energy and resource strategy that committed an LNP government would not support a 100 per cent fly-in fly-out mining operation workforce?

Mr SEENEY: Mr Chairman, I would direct the member to the discussion we have had for most of the morning which in large part has been about developing resources towns. We talked extensively about the resource town action plan. We talked about the planning changes. We talked about the PDAs, all of which have a role in making resource communities a desirable place to live. I gave a detailed answer about the fly-in fly-out issue, particularly the need to separate mining camps from local communities so they can operate as a community. I have nothing more I can add.

Mr MULHERIN: At a time when vacancy rates across the Bowen Basin were just three per cent in 2011, the previous government decided not to impose a restriction on the use of fly-in fly-out workers at Caval Ridge but did impose a requirement that 80 per cent of BMA's workforce across its operations reside in the region and that BMA build 400 permanent houses for local workers. I refer to your changed report on Caval Ridge from 27 December 2013 from the Coordinator-General that removes the requirement for 80 per cent of BMA workers to reside in the region. Deputy Premier, how can this decision be justified when the 2013 hotel and motel accommodation rates hit 37 per cent and the number of FIFO workers is projected to decline?

Mr SEENEY: It is a question about the same thing. I provided the member with all of the government's approach to resource towns and the resource town action plan. I talked about our position on fly-in fly-out. I am not sure that repeating it will serve any purpose. I would just, however, make the point that the 80 per cent figure that he refers to would be exceeded under any scenario. Anyway, I do not have anything more to add. I refer him to the answers I have already given.

Mr MULHERIN: The Coordinator-General can change, with a stroke of a pen, a number of things around the conditions that were imposed by the previous government but you will not change the condition that restricts people—

CHAIR: Member for Mackay, you have already asked this.

Mr MULHERIN:—from the Bowen Basin regions from applying. What do you say to working families in Mackay—

CHAIR: Member for Mackay—

Mr MULHERIN:—who have to sell up and move to the Sunshine Coast, Cairns or Brisbane to apply for a job in their own region?

CHAIR: Deputy Premier, I rule that question out of order. Member for Mackay, ask the next question.

Mr MULHERIN: Deputy Premier, how can you continue to blame the previous government for the current crisis in towns across Central Queensland, as you did last month, when you have watered down the requirements for BMA to use local workers in the Bowen Basin and have done absolutely nothing to respond to the changing economic conditions over the last two years?

CHAIR: I would ask the member to reword the question so it is relevant to the examination which this committee is looking at.

Mr MULHERIN: It gets back to the whole issue that, on one hand, we have the Deputy Premier saying, 'No, the Coordinator-General cannot change the conditions,' and on the other hand they have obviously changed the conditions around the development approvals for Caval Ridge and Daunia. I will leave it at that.

CHAIR: You can reword your question. I just ask you—

Mr MULHERIN: I will leave it at that.

CHAIR: If you do not reword the question—

Mr MULHERIN: The hypocrisy of it all is astounding.

CHAIR: Member for Mackay, you were given the opportunity to reword the question. If you choose not to, that is fine.

Mr MULHERIN: I just want to get the answer.

Mr KATTER: Is the Deputy Premier aware that \$3.5 million was budgeted over four years to enhance Queensland's network of rail trails for walkers, cyclists and horse riders yet the Townsville-Mount Isa line is in desperate need of repair and the only funding for it is to come from the users of the line, namely, Glencore?

Mr SEENEY: I am sorry, could I ask the member to repeat the question?

Mr KATTER: I will reword that question. An amount of \$3.5 million has been allocated for the railway line, which may be relatively insignificant, but nothing has been allocated to upgrade the railway line beyond that that is recoverable by the main users, the mine. So there is no net contribution by the government. I wonder what your response to that is.

Mr SEENEY: I will address the two issues, if you like. There is no connection between the two issues, as the member is trying to imply. He is quite right; \$3.5 million has been allocated in this budget for some of the recreational rail trails that have existed for some time. There is one in the South Burnett and the Brisbane Valley. It is the government's policy to enhance these recreational opportunities for people who live in the south-east corner. It is also the government's policy to ensure that the infrastructure that is necessary for the economic future of the north-west, where the member lives, is to be developed and enhanced, and we have spoken about that this morning in relation to the port and rail. I might ask the director-general to talk about where the recreational rail trail issue is in relation to making that money available.

Mr Edwards: The government is committed to assisting local governments to extend and enhance Queensland's network of recreational trails for walkers, cyclists and horse riders. Underneath the new Recreational Rail Trail Grants Program, a new initiative, funding of approximately \$3.5 million will be available over four years to 30 June 2018. Importantly, that will be used to support local governments to undertake capital works and the maintenance on new and existing rail trails. The initiative aims to increase active commuting and recreation and to support the government's DestinationQ target to double overnight tourism visitation expenditure in Queensland to \$30 billion by 2020.

The program is a one-off competitive grants program to assist local governments in constructing and maintaining recreational trails on closed and non-operational rail corridors through to June 2018. It is intended that responsibility for the funding, management and maintenance of successful programs under the program will be transferred to local government after 30 June 2018. We are working closely with the Department of Transport and Main Roads on that initiative.

The program will be open to expressions of interest shortly. We do encourage all eligible councils to consider applying for funding under this initiative. Officers of my department are already in discussions with local governments throughout Queensland who have expressed an interest in the program to date.

CHAIR: Can I pick up on a supplementary to that? Again, it is a good local issue for me. The Mary Valley branch line, which is currently being repaired by the department—and we are very supportive of that—contains sections which would no longer be used. Would that grant be available for that type of work if the Gympie Regional Council were to apply for it?

Mr SEENEY: Yes, they are the sorts of opportunities we want to give to local authorities to identify areas where the right of way or the corridor exists but is no longer needed for actual rail operations to give communities an opportunity to use that for recreational purposes. It works better in some areas than others. It depends on the scenic value and the distance between rest stops, for want of a better word. We are very keen to have the Gympie council consider making an application.

Mr KATTER: On the Townsville-Mount Isa rail line, the load out facility east of Cloncurry represents a great opportunity to enhance the competitiveness of our mines in that region and it is much needed. I am sure you understand there are some barriers there inhibiting that at the moment. I would like to know what steps you are taking to ensure that that critical move happens along that line?

Mr SEENEY: It is a good question because it is an issue that we have been dealing with in conjunction with Minister Cripps's department, the local council there and the local resource proponents there. As you indicated, there have been some barriers. They have centred on the land tenure issues both because of the underlying land tenure being a term lease and the existence of other resource sector tenures overlaying that term lease. It was very difficult to address until the legislation passed through the parliament a few weeks ago reforming the land tenure system in Queensland, providing an option for term leaseholders to move to freehold. That provides an opportunity for a lot of landholders to undertake badly needed economic development, and this is a classic case. The solution there now is for the underlying tenure to be converted to freehold, which will then allow a development application to be made to the council and the operation to proceed.

Mr KATTER: I have a supplementary to that. Do you see as imperative that that is delivered before any decision was made following the endorsement of Strong Choices? If that rail line were to go to a private entity, the opportunity to make that happen may be lost. Do you see it as an imperative to make that happen before any change of ownership occurs along that line?

Mr SEENEY: I do not think there is any connection between the two things. The land is in private ownership. The government would welcome an application to freehold it as soon as the private owner feels free to do so. Anything that happens in regard to the railway under the Strong Choices program would not have an effect on that.

Mr KATTER: Just to clarify, you do not see that there is a responsibility for yourself or the government to ensure that that happens, that all stops are pulled out to make sure that it does happen, increasing competitiveness in mining in that region?

Mr SEENEY: As I said, the land is under private ownership. We would need the private owner to make an application and it will be dealt with as quickly as possible, if that is the genesis of your question.

Mr KATTER: I am asking: do you see the only alternative is to address it by way of that land tenure issue, not enforcing any other action?

Mr SEENEY: As I indicated, there were no other opportunities, there were no other ways of doing it until we changed the land tenure system because of the complex tenure, because it was a term lease overlaid by exploration permits.

Mr MULHERIN: My next round of questioning relates to the integrated resort development, SDS reference page 3, finalise EOI process for new world-class integrated resort development with 12 international developers expressing interest. Deputy Premier, on 31 October last year you issued a media release advising that Mr Len Scanlan had been appointed as probity adviser and BDO as a

probity consultant on the government precinct in Brisbane. A subsequent media release has mentioned Mr Scanlan's role as probity adviser with reference to your government's broader integrated resort developments EOI process. To be clear, has Mr Scanlan also been appointed as the probity adviser over the integrated resort development EOI process for regional Queensland and is BDO acting as the probity consultant?

Mr Edwards: Yes, that is the case. Len Scanlan is overseeing the probity of both the integrated resort casino developments and Queens Wharf, and BDO has been appointed as the technical advisers, for want of a better word, to support Len Scanlan.

Mr MULHERIN: Including the regional—

Mr Edwards: Yes.

Mr MULHERIN: So it is over the whole of the integrated resort developments across Queensland?

Mr Edwards: Yes.

Mr MULHERIN: Deputy Premier, I refer to the meeting in your diary on 8 July with Mr Fung, 16 July with Echo Entertainment and 19 July with Crown Limited. Why did you meet with these proponents, who have all been successful in the initial expressions of interest process before a probity adviser was appointed on 31 October last year?

Mr SEENEY: If the member was forthright enough to read the full dates, it will become evident—actually, I think he asked me about these meetings at the estimates hearing last year.

Mr MULHERIN: I certainly did.

Mr SEENEY: These meetings were conducted when the government was considering its options for the development of Queens Wharf and predated any decision about a casino. At that time we were looking at what the options were, whether a gaming licence would be beneficial or necessary. We were trying to understand the whole emerging market for integrated resort development and we had not taken any decision about the integrated resort development in regional Queensland at that time. If the member wants to look at those dates, he will obviously see that those meetings predated any such decision by quite a way.

Mr MULHERIN: However, Deputy Premier, back in July 2013 prior to the appointment of the probity adviser you stated that these were some formal negotiations. It was also reported that you had written to Crown and Echo inviting them to a formal meeting to get down to some formal negotiations. This is well before the appointment of the probity adviser. Do you not accept there are significant probity issues with there being no probity adviser appointed at the time of these formal negotiations and prior to the EOI process commencing?

Mr SEENEY: These questions are exactly the same as the member asked me last year, from memory. We appointed a probity adviser as soon as the government took a decision to issue gaming licences. That is the right and proper way and the probity adviser has been very active in his role ever since.

Mr MULHERIN: Can you explain what a formal process is that you have prior to appointing a probity consultant? What is a formal process if it is not—

Mr SEENEY: I think what you are referring to, from memory, was the consultation process that we were undertaking at the time to look at the options for the development of the Queens Wharf development, and I think you might be reading from a list of questions that you had at last year's estimates hearing.

Mr MULHERIN: But you did not explain it then. Since then you have appointed a probity adviser, so the issue is you said back then that you had entered into a formal process, formal negotiations. This is before the appointment of this probity adviser. Can you not see that people would say that it is not a good look?

CHAIR: Member for Mackay, we are not here to discuss whether it is a good look or not. We are here to discuss—

Mr SEENEY: Mr Chairman, I just reassure the member for Mackay that the first thing that we did when we took a decision to issue gaming licences was to appoint a probity adviser and to build, before we did anything, a system of probity around it. That was the first thing we did once we took the decision.

Mr MULHERIN: Deputy Premier, what was discussed at the meetings about the government precinct on 20 August, 17 October and 19 November 2013? They were meetings you had.

Mr SEENEY: I do not have the—

Mr MULHERIN: This is about the government precinct.

Mr SEENEY: Yes, so where are you quoting those dates from? From my diary?

Mr MULHERIN: I think from your diary.

Mr SEENEY: Okay. I do not have a recollection of that, Mr Chairman. As the member would know, having been a minister, I have lots of meetings. It would be obtuse for me to try to remember what was discussed at meetings that were what—nearly 12 months ago?

Mr YOUNG: I refer to page 3 of the Service Delivery Statements. Deputy Premier, can you outline how local businesses have benefited from the state government's defence industries initiative?

Mr SEENEY: Thank you, member for Keppel. This is a great success story of our government. I might ask the director-general to make some comments and then introduce Lindsay Pears.

Mr Edwards: Defence industries are critical for Queensland's economic development. The department has been very active in supporting the government's four-pillar policy, but nevertheless we have been pursuing other industry sectors where Queensland has a significant competitive advantage. In the defence sector, approximately a quarter of all Defence personnel in Australia are based in Queensland as well as just over a quarter of all Defence industry activity, so we already do very well. But we thought it was prudent to have someone appointed who has experience both within the military and also working in the defence industries itself and we appointed Lindsay just over 12 months ago to really enhance our efforts in working with the many small to medium sized enterprises in Queensland that are doing some really innovative things in the defence sector. So I might ask Lindsay Pears to elaborate on the activities over the last 12 months.

Mr Pears: Thank you, Director-General, for your kind introduction and also for your strong support for defence industries. The director-general outlined some of our achievements to date, so I will not go over that again but will look to the future, and the future is a bright one indeed for the defence industry in Queensland. In South-East Queensland RAAF Amberley continues its expansion. By 2023 all RAAF heavy and battlefield lift, including C-17 Globemaster, C-130J Hercules and the new C-27J cargo planes, will be based there, as well as strike elements such as Super Hornets, KC-30 tankers and electronic warfare, the Growler aircraft. We can expect to see the daily population of Amberley grow from around 3,500 now to about 5,000, and that in itself offers great support opportunities for defence industries. We are seeing infrastructure being prepared right now for the C-27J cargo planes at Amberley and four Chinook helicopters in Townsville. Both of those opportunities are there for our building and construction industry and will continue on for some time, and these number in the tens of millions.

Further to this, there are Queensland based companies currently supporting the Joint Strike Fighter program and we are working to position more Queensland defence industry companies to support the new fleet of JSFs, especially in the area of ongoing maintenance, repair and upgrades for the next 30 years of their life once they arrive. The aspirations of the Chief of Air Force for integration of the joint strike fighter into the future force were outlined in his recent speech at the Williams Foundation dinner. Plan Jericho, as he termed it, invokes a World War II spirit of Operation Jericho by 464 Squadron and that should lead to more opportunities and participation by industry. The chief set a very clear expectation of industry to help knock down the walls of non value-adding processes and to bring new and innovative ideas to integrate and fuse data from new aerospace battle management capabilities and sensors the RAAF did not have at the turn of the last century. The necessary skills are here in Queensland. Amberley is key to that and many in the Queensland defence industries know where and what those walls are and Defence Industries Queensland will be supporting industry collaboration to achieve the chief's aims. By 2020 several of the RAAF fleets will be around 25 per cent of the way through their service lives, or more in some cases. Queensland still has the skills to deal with ageing aircraft evolving from the F111 era, but we must also act upon the need to retain and hand on this know-how to a new generation and to refine their application of new structures and technologies present in fifth-generation aircraft. This skills preservation and reinvigoration has started in collaboration with industry and academia to ensure that we are well placed to support the RAAF into the future over the next 30 years.

In the land sector, approximately 40 per cent of Army representing 70 per cent of the fighting force of the three Beersheba brigades in the country are now based in Queensland. The majority of new vehicle fleets introduced up until 2030 will be based here. Over 60 per cent of Army aviation will continue to operate in Queensland, as will our colleagues in the royal Singaporean air force.

Townsville berth 10 is the place from which amphibious operations and humanitarian missions will be launched for the near future on the new LHDs when they finally come into service early next year. Queensland also has precedence as a site for vehicle pooling and training establishments adjacent to areas like Shoalwater Bay Training Area. Singapore, under the terms of the renewal of the treaty, will not only continue its annual Exercise Wallaby at Shoalwater Bay Training Area but expand its operation to allow for Chinook flying in Queensland. We are seeing the rollout at the moment of the G-Wagon fleet of over 2,000 new vehicles. One brigade at Enoggera has received its vehicles. The 51st Far North Queensland Regiment is receiving theirs as we speak and 3rd Brigade in Townsville is the next cab off the rank by the end of the year. Vehicle acquisition support and fleet retirement will be a dominant part of defence industry in Queensland. Much of the onboard systems integration of battle management systems, communication networks and the like is either happening here or will happen. Many prime contractors are already moving their support and logistics infrastructure to where the fleets are—that is, Townsville and Enoggera.

The vertical integration of back shops and operations and ease of transition from assembly to support, modifications and upgrades should help drive location of new project executions such as the proposed LAND 400 combat replenishment vehicle program, which we expect to see out to tender early next year. The Queensland heavy vehicle industry precinct created by Defence Industries Queensland has over 150 members with capabilities to contribute to new vehicle programs like LAND 400. This has been acknowledged by those primes who have quickly grasped the risk reduction and proximity offered by work placement in Queensland. As an example, Rheinmetall Military Vehicle Australia has indicated that its integration centre for the new fleet of around 2,700 heavy trucks will occur in South-East Queensland when that phase of the program arises. We will continue to help Rheinmetall in building its supply chain in Queensland for the next 25 to 30 years of vehicle support here in South-East Queensland and in Townsville in particular, just as we will for other fleet OEMs. Under LAND 121 phase 4, Thales will supply Hawkei vehicles to combat units in Enoggera and Townsville as well. We expect to see over 60 per cent of the 1,300 vehicle fleet based in Queensland. So, arguably, this is where the front line is for assembly support and upgrade of military vehicles and the caring of those for the next 25 to 30 years of their lives, with much of that vehicle replacement to happen before 2022-23.

Queensland marine industries continue to display outstanding capabilities, particularly in remedial action and support of Armidale-class patrol boats and also other patrol boats. Yards in Queensland continue to build a wide range and quantity of ships under 1,000 tonnes for the police and security patrol boat market in the region. New opportunities arising from the support of large commercial vessels are steadily rebuilding capability and infrastructure in Brisbane, Cairns and Townsville, and the new port works in Cairns recently announced by the Deputy Premier support this growth. Those prime contractors with foresight already understand the capability of our yards to lead the way in patrol boat programs and are actively engaged with those companies. We will also continue to seek opportunities in aligned Asia Pacific countries and with regional US military forces, particularly the US Marine Corps and US Navy Seventh Fleet.

However, in all of these sectors the Minister for Defence has made it clear that industry not only has to earn the right to execute the work but also earn the right to participate in the competition. With the scene set for a credible, stable and well planned acquisition budget by the federal government and a budget rising to about \$40 billion roughly per annum by 2023, assuming the two per cent of GDP trajectory, I would suggest that this is a sound financial baseline to enable industry to plan. We expect by 2024 that this will lead to about a 30-30-30 split of people, capital expenditure and operational expense, with a large part of that with the large fleets in Queensland spent in this state. To succeed, though, over the next decade, industry has to earn the right to participate and it is incumbent on Defence Industries Queensland and industry to ensure that we have the right skills and capabilities to execute and perform to the required standards. The signals from the Minister for Defence on this topic are clear and we will be paying very close attention to it in Defence Industries Queensland. This will be a primary mission of Defence Industries Queensland and we look forward to working with industry to realise that performance objective by ensuring industry has a competitive operating environment unencumbered by unnecessary regulation and the skills to attack all of the future projects and execute them well.

Defence reform at the federal level will require yet another round of detailed reviews, and this will take at least another 12 months. The white paper, force structural review, industry policy and DCP will be generated at the same time as the first principles review which is likely to align with the Defence section of the national Commission of Audit. We can therefore expect to see quite a number

of changes to commence in Defence and defence industry in the financial year 2015-16 and perhaps tracking through three to four years from then. Queensland will be making a submission to these plans and the related review of the development of Northern Australia. Our proximity to regional turbulence is self-evident, as is our strategic infrastructure and the role Queensland plays and the need to defend the country. We will continue to work very closely with Defence to make sure that Queensland's strategic plans are understood at the outset by Defence, that they acknowledge Defence intent and we encourage Defence presence and to ensure that we ease force placement and industry structure and growth in Queensland.

Defence Industries Queensland will likewise work with industry to facilitate engagement in global supply chains and help them to be ready for new projects emerging from the white paper and the DCP when it is published to help them understand what the requirements are of companies choosing to participate in very complex Defence procurements. In my view, presence, proximity and capability always equals growth, and that is what we will strive for in Queensland. Defence Industries Queensland will continue to advocate and position Queensland as Australia's front line for defence industries in the most strategic state of all.

Mr SEENEY: Thanks, Lindsay. I just add briefly that this has been a great success story in the department. It was the Premier's initiative to appoint a defence industries representative and I think it was a great choice to appoint Lindsay and I congratulate him on the job that he has done. It is a great success story.

CHAIR: And thank you for what was a very comprehensive answer.

Ms MILLARD: Thank you, Mr Chair. My question refers to page 3 of the Service Delivery Statements and Governing for Growth. I know the Deputy Premier spent a lot of time working on that initiative, putting it into place. Could you please advise us on some of the results from the government's recently released Governing for Growth strategy and action plan?

Mr SEENEY: I thank the member for Sandgate for the question. The Governing for Growth strategy and action plan was launched in July 2013 to complement the government's fiscal repair strategy. As I said when I tabled it in the parliament, it was the flip side of the job that the Treasurer had to do to get the government's financial situation under control. Our job was to drive economic growth and the Governing for Growth framework was the outline of how we would set out to do that. The framework outlined the very considerable efforts made by the government to revitalise the state's economy through more than 300 reforms and actions. On 11 February 2014, I launched the next phase of our Governing for Growth agenda in the form of a strategy and action plan. It includes actions across all government agencies and focuses on areas where the state government can make a real difference. The strategy and action plan sets out the Queensland government's clear strategic economic priorities for the future. These priorities are policy settings and programs for growth, catalytic infrastructure and growing and strengthening the regions. Over 100 new initiatives were identified to help build the dynamic economy in which businesses can invest and grow and communities can flourish. These initiatives are in addition to the significant action already taken by government, including the cutting of more than 9,400 pieces of red tape, saving business time and money and providing them with the certainty to invest.

Governing for Growth is already paying dividends. In 2014-15, Queensland is forecast to be the fastest growing state in Australia in terms of gross state product. Four special purpose cabinet committees have been formed to provide overall leadership and drive actions for growth in the agriculture, resources, property and infrastructure, and tourism sectors and provide overall leadership for the Governing for Growth strategy and action plan. The Resources Cabinet Committee is proactively tackling major regulatory challenges to ensure a strong resource sector for Queensland, both now and into the future. The government recently delivered reforms to QLeave, the portable long service leave scheme for workers in the building and construction industry. New tiered arrangements mean that major projects in Queensland will pay a maximum amount of the levy, which reduces costs for industry without affecting workers' entitlements. These reforms, which took effect from 1 July 2014, will save the property and construction industries and the resource sector tens of millions of dollars annually, without impacting on workers' entitlements. Future projects in the Galilee Basin are estimated to save up to \$20 million per project from these reforms.

The Resources Cabinet Committee is focused on growing regional projects and directly intervening to help industry tackle regulatory challenges. Late last year, the Resources Cabinet Committee identified a solution to a streamered version for Middlemount Coal, which saved about 500 jobs and an estimated \$55 million per year in royalties. The government is also focused on improved

ways of operating and minimising impacts on landholders. As we discussed this morning, with the declaration of the Galilee Basin State Development Area, the rail zone has been reduced by 94 per cent and the number of landholders affected has been reduced from 1,400 to just 74. Opening the Galilee Basin will help grow regional areas by providing jobs and injecting funds in local economies.

The government, through the Property and Infrastructure Cabinet Committee, is facilitating major projects in Queensland such as the Toowoomba second range crossing. Once completed, the Toowoomba second range crossing will deliver real benefits by decreasing travel time, increasing safety and removing trucks from Toowoomba City. We are not only encouraging investment in our state, but also providing great benefits for the people of Queensland. The Property and Infrastructure Cabinet Committee has helped set the vision for Queen's Wharf, the unique and vibrant development that will connect the precinct to existing hubs in the city.

Queensland is open for business and is developing innovative projects that create jobs for Queenslanders and that is what our department is all about. Many of the priorities identified by Queenslanders during the development of the Queensland Plan align strongly with the intent of Governing for Growth, including the emphasis on the economy, infrastructure and the regions. Taken together, the fiscal strategy in Governing for Growth provides a blueprint for responsible economic governance.

CHAIR: Thank you, Deputy Premier. I welcome the Leader of the Opposition to our committee. The committee resolved to allow all members of the parliament to join us at any point through the hearings, on both Tuesday and Thursday. Would you care to ask a question or are you happy to allow us to continue on for a bit longer?

Ms PALASZCZUK: Do you want to continue?

CHAIR: For five minutes, I am happy to do that. I will call the member for Burleigh.

Mr HART: Thank you, Chair. Deputy Premier, I would like to talk about the approvals bilateral agreement for a second. Can you tell us what benefits you expect to see from the approvals bilateral agreement?

Mr SEENEY: Thank you, member for Burleigh. This is an important initiative that we are pursuing in conjunction with the federal government. A finalised approvals bilateral agreement will provide streamlining benefits for major project environmental assessment and approval processes under the Australian government's Environmental Protection and Biodiversity Conservation Act, otherwise known as the EPBC Act. Currently, there are dual Australian and state government approval processes, resulting in bureaucratic duplication and delays between the granting of state approvals and the Australian government approvals under the EPBC Act. While the EPBC Act does have statutory approval time frames, experience has shown that those time frames have been greatly exceeded on a regular basis. The statutory assessment time frame for projects by the Australian government is within 30 days of the state's decision. Since 2007, Queensland projects have had an average delay of more than 100 business days. With an approval bilateral agreement in place, approval duplication and, therefore, the potential for delay will be removed. This will provide greater certainty for project proponents and other stakeholders. The approval bilateral agreement will also provide for increased information sharing between businesses, governments and the community. This increased access to information will, over time, improve our ability to understand and better manage potential impacts on the environment.

Mr HART: I have a supplementary question on that. This is at page 10 of the SDS. Deputy Premier, what else needs to happen now to finalise the implementation of the approvals bilateral agreement?

Mr SEENEY: Under the memorandum of understanding signed by the Australian and Queensland governments in 2013, the parties agree that the approvals bilateral agreement is to be concluded in September 2014. The initial priority is to develop an in-principle agreement for major project approvals. A key milestone was reached on 14 May 2014 when the Australian government Minister for the Environment and the Queensland Minister for Environment and Heritage Protection released a draft Queensland approvals bilateral agreement for public comment. The draft Queensland agreement has been developed for environmental impact assessment and approval processes under the State Development and Public Works Organisation Act 1971 and the Environmental Protection Act 1994. Under the Australian government Environmental Protection and Biodiversity Conservation Act 1999, the EPBC Act, draft approval bilateral agreements must be released for a minimum 28-day public consultation period. This period concluded on 13 June 2014. The draft agreement may be revised on the basis of the public consultation process.

Additionally, as required by the EPBC Act, the authorisation process sets out in law that to be accredited the agreement must be tabled in both Australian government houses of parliament for a minimum of 15 parliamentary sitting days. To meet the time frame agreed by the Australian and Queensland governments as set out in the MOU, for the agreement to be concluded in September 2014 the draft agreement must be finalised and tabled in both Australian government houses of parliament in July 2014. As the MOU seeks to cover as many approval processes as possible, Queensland will continue to negotiate with the Australian government for the subsequent coverage of the broadest range of Queensland approval processes possible via amendments to the approved bilateral agreement shortly, following its conclusion.

CHAIR: I call the Leader of the Opposition.

Ms PALASZCZUK: Thank you very much. Good afternoon, Deputy Premier.

Mr SEENEY: Good afternoon.

Ms PALASZCZUK: I thought we might explore an old friendly topic of ours, if you would not mind, that is, once again, your charter flights. I refer to your public report of ministerial expenses. Is the Deputy Premier aware that, between 26 March 2012 and 31 December 2013, he has spent more than \$363,000 on charter flights to and from his electorate?

CHAIR: I understand that the Deputy Premier has answered this in his opening statement, but if you care to—

Mr SEENEY: Thank you, Mr Chairman. I am quite happy to address this issue.

Ms PALASZCZUK: I would love him to elaborate.

Mr SEENEY: I am quite happy to tell the Leader of the Opposition that my budget for travel this year was 44.73 per cent under budget. As I said earlier in the committee hearing, nothing has changed from last year and nothing will change.

Ms PALASZCZUK: But it is a large amount. \$363,000 could provide a neurosurgeon for Queensland.

CHAIR: Leader of the Opposition.

Ms PALASZCZUK: I will move on.

CHAIR: Please.

Ms PALASZCZUK: Deputy Premier, I want to explore this topic: I know the Deputy Leader of the Opposition has been discussing in detail the SDS in relation to the Galilee Basin railway construction and some issues around Mr Palmer. I want to refer to your interview on the *7.30 Report* on June 2014, where you thought the actions of Mr Palmer in meetings in 2012 were possibly corrupt. What action did the Deputy Premier take in response to his concerns that possible corrupt behaviour was occurring?

Mr SEENEY: Thank you, Mr Chairman. We dealt with this issue at length earlier in the hearing. I have nothing really to add to the comments that I have made earlier in the hearing. There is not much point spending our time rehashing something that we spoke about earlier.

Ms PALASZCZUK: Can I say why I believe this is very important? Deputy Premier, you would be aware that, under section 38 and section 39 of the Crime and Misconduct Act, there is a duty to report allegations of corrupt behaviour. I am trying to ascertain at what point did you think that there was alleged corrupt behaviour?

CHAIR: I understand the questions and I understand the importance of those questions, but we are here to examine the Appropriation Bill.

Ms PALASZCZUK: This is about the Galilee Basin. It is very relevant.

CHAIR: I understand its relevance. However, I would direct the Deputy Premier: in relation to the Appropriation Bill that is before the House, would you care to answer the question?

Mr SEENEY: Mr Chairman, we discussed the Galilee Basin SDA, the issue of Mr Palmer and the issue of how we treat everybody equally at length earlier in the day. I have nothing more to add to those comments.

CHAIR: Leader of the Opposition?

Ms PALASZCZUK: Thank you, Chair. Can I ask the director-general: at any stage did the Deputy Premier report to you that there could be alleged corrupt behaviour on the part of Mr Palmer?

CHAIR: Microphone, please.

Mr Edwards: No.

Ms PALASZCZUK: Sorry: you said not at the time of that meeting?

Mr Edwards: No.

Ms PALASZCZUK: At any subsequent time?

Mr Edwards: No.

Ms PALASZCZUK: So it has never been raised with you?

Mr Edwards: No.

Ms PALASZCZUK: Thank you.

CHAIR: Leader of the Opposition?

Ms PALASZCZUK: I want to move on to SDS page 2, where it talks about 'exists to deliver Queensland's economic prosperity by championing the interests of business and industry'. Deputy Premier, on 9 December last year, you met with Mr Dick Karreman about the Mining Act. What was discussed at that meeting? Was the issue of the boundaries at Harlin discussed at that meeting? Were departmental officials present?

Mr SEENEY: I am happy to answer that, Mr Chairman, because I have answered it on ABC radio or in the media generally, probably in a number of different venues. The meeting that the Leader of the Opposition is referring to was about a licensing issue for a machine that was being operated in Mr Karreman's quarry at Redlands. It had nothing to do with the other issue that I have never spoken to Mr Karreman about ever, but I have spoken extensively about in this parliament.

CHAIR: Leader of the Opposition?

Ms PALASZCZUK: I am right at the moment.

CHAIR: Thank you for that. As we are now approaching 12.15, the committee will shift its focus to questions on planning and property. I might kick that off. The Wide Bay/Burnett, which obviously my electorate falls within, and the Mackay/Isaac/Whitsunday plans are being reviewed. Deputy Premier, could you explain to the committee how those review plans will empower the local government to plan and manage for their local communities?

Mr SEENEY: Thanks, Mr Chairman. I'm very pleased to have an opportunity to talk about statutory regional planning because it, too, is one of the great success stories of this department and this government, and not widely known, not widely reported, but it has already had some profound effects and will continue to have profound effects on regional Queensland. One of the things that I am, and I know officers of my department are, most proud of in terms of achievements is to first of all conceive and then implement a new generation of statutory regional planning, land use planning across the broader landscape that involved a number of new concepts, and we did that in an environment that was characterised by entrenched conflict, with stakeholders entrenched in positions of conflict, and we have done it in a way that has led to a broad general consensus amongst those stakeholders. That, in terms of the jobs that we do is, I think, a very worthwhile achievement for us and for the government.

In relation to the Wide Bay and Mackay plans, what we are doing is building on the work that had already been done. Last year I made a commitment to local governments in these regions to review their regional plans once the Central Queensland and Darling Downs regional plans were completed and we are now delivering on that commitment. Regional plans that they had already started work on were the old generation of regional plans but we will use that work to bring them up to statutory regional plans of the like that we have introduced in Central Queensland, Darling Downs and on Cape York. Councils in the Wide Bay Burnett region wrote to me earlier this year asking us to do that. Such has been the level of support and acceptance of the new generation of regional plans that councils are requesting these plans to be implemented for their areas. We are delivering an extensive planning and development reform program, including legislation, statutory instruments and administrative processes to position Queensland with the best planning and development assessment system in Australia. I consider that the review of the Wide Bay Burnett and Mackay, Isaac and Whitsunday regional plans will play an important part in this program by simplifying regulatory requirements and providing clarity for local governments in the preparation of their planning scheme which in turn shapes land use decision making.

An important element in this reform program has been the development of a single state planning policy to articulate all the state's interests in planning and development. This reduces the complexity of the planning system and it gives clear and simplified direction to local government for the preparation of local planning schemes and development assessment. Regional plans now play a new role in this reformed planning system. When the regional plans for Wide Bay Burnett and Mackay, Isaac and Whitsunday were prepared by the previous government they contained regulatory measures, state planning regulatory provisions, that placed additional controls on where and what development could occur locally in the region. This additional layer of assessment constrained local governments' ability to decide how and where their local communities could develop and this is what the review of the two plans will change. The role of the regional plan within the reformed planning and development system is to identify and interpret the state's interest in land use planning and in development, where necessary, for a particular region. It is not necessary for a regional plan to provide regional policy about all state interests, unlike the existing Wide Bay Burnett and Mackay, Isaac and Whitsunday regional plans which are cluttered with detailed description of geographic areas, policies on a wide variety of non land use matters and principles and policies that duplicate other regulatory instruments. I will ensure that the reviews of these plans shift the emphasis from detailed rule setting for managing growth to providing strategic direction to facilitate development and enable discretionary decision making which allows local governments to better plan for and support their communities. The reviews will allow areas of regional interest, as articulated in the Regional Planning Interests Act 2014, to be identified in the regional plans. Importantly for local government, this may include priority living areas, comprising areas necessary or desirable for the future growth of existing settled areas and a buffer between existing or a future settled area and resource activities. The identification of a priority living area will safeguard the areas required for the growth of towns from incompatible resource activities. Local governments are assessing agencies for all applications for resource activities in a priority living area. This provides communities, through their local governments, with an opportunity to have input into decisions about the development seeking to operate within the proximity of their towns. Given the number of towns and small urban communities in these areas, that is particularly important.

Importantly, I am pleased that the review of the Wide Bay Burnett and Mackay Isaac regional plans will provide an opportunity to remove the unnecessary detail in the existing regional plans which make local plan making and the development assessment more difficult and time consuming. I will also ensure that the reviews remove any inconsistencies and align the regional plans with state planning policy and other new government initiatives impacting on regional development, such as the Queensland Ports Strategy, Queensland's Agriculture Strategy and Destination Success, which is a 20-year plan for Queensland's tourism sector. The reviews will also consider changes and restructuring in the region's economies that have occurred since the plans were made in 2011-12, as well as new land use issues facing the region so that effective planning responses can be prepared to ensure these regions continue to grow and prosper. I will collaborate closely with local government in the Wide Bay Burnett and the Mackay Isaac regions in these reviews to deliver this government's commitment to prioritising regional development.

CHAIR: Just a supplementary on that, Deputy Premier, and thank you for that, under the review of the Wide Bay regional plan we obviously had the great work your department is doing with the Rainbow Beach Master Plan. I understand that originally the Gympie council advised the department that it supported the original draft plan that was put forward but then flip-flopped and has changed its position without really providing any explanation. Could you advise the committee on the progress of the Rainbow Beach Master Plan to date?

Mr SEENEY: Thanks, Mr Chairman. This is a process issue. It is not something that I as minister have been involved in. I might ask James Coutts, as the officer or one of the officers of the department who has been dealing with this, to give you a detailed update on the process.

Mr Coutts: Thank you, Deputy Premier, and thank you for the question, Chair. The government is currently working to prepare a master plan for the Inskip peninsula to promote well designed and sustainable tourism opportunities that are sympathetic to the needs of existing residents and businesses but particularly the natural values of this very precious area. The Inskip Peninsula Master Plan aims to facilitate further development precincts in and around the peninsula and the township of Rainbow Beach. Previous master planning efforts over the last few years had stalled. The confidence needed to attract investment to the area had been subdued as a result of a development application for significant expansion of residential and tourism uses being refused due to potential environmental impacts, the appeal against the refusal being dismissed by the Planning and

Environment Court in June of 2013 and some of the existing development leases on the peninsula nearing expiry. I think in light of that it is extremely important that the peninsula has a long-term plan that clearly identifies the location where future development opportunities will be supported. The department has consulted with the local community on the draft options for the master plan.

The community consultation produced 65 submissions from a broad range of people, including community groups, professional organisations, as you mentioned the Gympie Regional Council, and individuals from the Rainbow Beach community. The views expressed in the submissions have resulted in some modifications to the original master plan options to produce a clearer vision for the peninsula that will accommodate the expected growth within a reasonable time frame and protect the significant conservation and biodiversity values of the peninsula. For example, the consultation process revealed wide ranging support for more camping and caravanning facilities at Rainbow Beach, especially during the very busy Christmas and Easter holiday periods.

In addition, the new master plan has promoted discussion about ensuring there is enough land available for the development of designated residential areas and future tourism opportunities on the peninsula. The land that has been identified for future development is of an environmental value that is probably compromised by previous sandmining operations that have occurred in that location. The new master plan is expected to be completed by the end of this year and will inform future amendments of the Gympie planning scheme and it will be up to the council then to determine how to give that best effect.

CHAIR: Thank you for that. I call the member for Burleigh.

Mr HART: Deputy Premier, I refer to page 3 of the SDS. Can you tell us how the Cape York Regional Plan will help improve the region's economies and what that might mean for the communities of Cape York?

Mr SEENEY: Thank you, member for Burleigh. I appreciate an opportunity to talk about the Cape York Regional Plan because it, too, I think, is something that has been a great success story and something that our government can be proud of, given the differences between the outcome that we have achieved and where the former government was taking Cape York. Our government is intent on making every effort to ensure that there is some sort of normalised economy on Cape York that provides Indigenous communities with an opportunity for jobs, home ownership, hope and economic growth. The Cape York region is important to both Queensland and Australia, but it is most important to the Indigenous communities that live there. The region has outstanding natural areas of high environmental value, a diverse and rich Indigenous heritage, together with a wealth of natural assets, particularly mineral resources. Enabling sustainable economic development opportunities in the region balanced with the protection of the cape's important environmental areas is a key priority for our government.

The Cape York Regional Plan is delivering on our vision to provide Indigenous communities on the cape the opportunity to create a sound economic future while protecting the environment. Our government has introduced a land use plan that is about striking the right balance between facilitating appropriate economic development with the protection of Cape York's regionally important environmental areas. The Cape York regional plan will improve land use certainty to facilitate economic development in those areas suitable for appropriate agricultural and tourism developments, as well as resource extraction activities, while providing for environmental protection of sensitive areas on the cape. As part of the regional planning process, strategic environmental areas have replaced the prescriptive land use aspects of the wild river area declarations previously made in the region. As an interim measure, protections established under wild rivers legislation on a number of river systems will continue as strategic environmental areas under the Regional Planning Interests Act 2014 until the regional plan is made. Through this process, a regional interest development approval will be required for resource development, broadacre cropping and certain water storage dams proposed within a strategic environmental area. The majority of development that is brought forward in the region will continue to be assessed through local government planning schemes under the Sustainable Planning Act 2009.

Some of the other issues impacting on economic development in the Cape York region include remoteness and access to markets, climate conditions, lack of suitable infrastructure, lack of financial and technical capacity and capability, difficulties attracting investment due to complexities of tenure types, land use conflicts and the relatively small population. Consequently, at the same time the draft Cape York Regional Plan was prepared, our government prepared a draft Cape York Economic Development Action Plan to support the regional plan. This action plan is to provide a framework for

further state government action to grow a stronger Cape York economy. What does this mean for Cape York communities? Well, following community consultation on the draft plan, the Cape York community clearly told the government that it wants to have a greater say in determining the most appropriate development for this region. The Cape York Regional Plan amendment process will ensure that those who live on the cape will have a real say in the planning decisions that affect their lives and that the Cape York Regional Plan reflects their needs. This Cape York Regional Plan amendment process will provide local governments and Indigenous communities with an opportunity to make recommendations about the most appropriate land use designation for areas on the cape based on the significance of environmental and cultural values and the preferred economic opportunities of the local communities. This ongoing process enables cape communities to plan for their needs, to shape their own future and to reflect on their own economic aspirations. I can assure the committee that the Cape York Regional Plan will provide all communities on Cape York the opportunity to create a sound economic future while protecting the environment. Our government has ensured that the Cape York Regional Plan achieves the right balance between economic, environmental and community considerations which was clearly articulated by the Cape York communities during the consultation processes for the draft plan. But the most important thing was the community consensus. Acting as leaders of their communities in the region, regional planning committee members representing all local governments, industry and community organisations supported the ongoing Cape York Regional Plan amendment process that was proposed by the government at the fourth meeting of the Cape York Regional Planning Committee on 14 May 2014. Through this process I have made an undertaking to those community leaders to meet with the Cape York Regional Planning Committee once a year to formally review the need for other areas to be protected through mechanisms such as the strategic environmental areas. Any new proposed strategic environmental area will need to have undergone tenure resolution processes and have agreement from local government and the traditional owners. Any future additional strategic environmental area will be made as an amendment to the Cape York Regional Plan and will be subject to a statutory consultation period of 30 business days.

Cape York communities and local governments will lead the initial consultation process with traditional owner groups through the regional planning committee to amend the Cape York Regional Plan. That is one of the great features of the outcome that we have arrived at—the participation that local communities and local Indigenous people will have and the control that they will exercise. It is light years removed from the proposition that the former government was forcing upon them.

Mr YOUNG: Deputy Premier, I refer to page 3 of the SBS. What are the agricultural industries' and mining industries' views on the final Regional Planning Interests Act?

Mr SEENEY: I thank the member for Keppel for the question. The objective of the Regional Planning Interests Act 2014—or as it is commonly referred to, the RPI Act—is to manage the impact of resource activities and regulated activities on areas of regional interest which contribute or are likely to contribute to Queensland's economic, social and environmental prosperity. The views of both the mining industry and the agricultural industry have been expressed by peak body representatives such as the Queensland Resources Council, Australian Petroleum Production and Exploration Association Ltd, otherwise known as APPEA, the Queensland Farmers' Federation and AgForce in a number of publications and statements. Both industries acknowledge that there has been wide consultation with the peak bodies and that the objectives of the act are supported by both the agricultural and mining industries.

The agricultural industry especially has been supportive of this solution to what they saw as a long-term problem. Joanne Grainger, the QFF president, said that the RPI Act—

... gives landholders in priority agricultural areas a greater say on how coexistence between themselves and a mining company might occur.

Ms Grainger said further—

This new Act, and its proposed regulations, will not stop all resources development; instead it provides an opportunity for farmers to strike an agreement with resource developers against terms suitable to them, putting them in the driving seat of determining how the two critical industries might coexist at the property scale.

Also, Dan Galligan, the CEO of QFF recently stated in a media release that the RPI Act and regulations—

... help bring some balance back to the system in the areas—

in the areas where regional plans exist.

He said—

The changes place a high priority on protecting the valuable agricultural areas of the State and ensuring that farmers are able to fairly negotiate.

Mr Galligan said further—

The Act and its associated regulations provide significant incentives for resource companies to work with farmers, listen to farmers, and develop their businesses in a way that does not restrict farmers from carrying out their farming operations.

The mining industry, too, has accepted the act as a solution to the conflict situations that previously existed. The QRC has acknowledged the passage of the act as—

... a foundation for delivering a better system of planning for regional Queensland.

The chief executive of QRC, Michael Roche, states—

As a major driver of economic growth in regional Queensland, the minerals and energy sector welcomes this renewed focus on outcomes in terms of jobs, growth, opportunity and sustainable prosperity.

Mr Roche said—

... that for the first time, Queensland has a system of regional plans focused on cooperation between compatible land uses.

While the Act creates new categories of land use priorities, the focus is on delivering practical and productive coexistence.

The industries we represent see this as an opportunity to enhance their contribution to the government's economic, social and environmental goals.

These positive sentiments were confirmed by APPEA, which represents the petroleum and gas industry and which, in the main, has been at the forefront of the conflict. In March, APPEA stated—

The framework is an example of what can be achieved when government shows strong leadership and there is a mature discussion between the gas and agricultural sectors on how each industry can coexist and succeed.

I might add to those peak industry quotes a comment that I have had from individual landholders who are very grateful, I think, that a resolution has been found to a situation of conflict which was consuming too much time and too much energy and not producing an outcome. I think this is a great success story, as I indicated earlier, to achieve this sort of outcome. It is a great success story for regional communities, it is a great success story for individual landholders and it is a great success story for the Queensland economy as well, because it allows those two great industries to continue to make the contribution to the Queensland economy that every Queenslanders benefits from.

Ms MILLARD: Deputy Premier, how will the Regional Planning Interests Act 2014 protect wild rivers? Why is the Wild Rivers Act being repealed? What do the Cape York locals, including the traditional owners, think of the repeal of the Wild Rivers Act?

Mr SEENEY: I thank the member for Sandgate for the question. It is an important question and it touches on an issue that we were very conscious of when we were drawing up the regional plan for Cape York. In regard to the wild rivers and Cape York, which is where the wild rivers declarations primarily exist, the RPI Act identifies strategic environmental areas as the mechanism to carry forward the policy outcomes of the Wild Rivers Act. SEAs can be identified in the regional plan, as they have been on Cape York, or prescribed in an RPI regulation, as they have been in places like the Channel Country where the wild rivers declarations exist but no regional plan exists. So the examples of that are the Channel Country. Curiously enough, Fraser Island and Hinchinbrook Island were also declared wild rivers, which points to some of the absurdities of the Wild Rivers Act, but the protections or the elements of the Wild Rivers Act have been carried forward in those areas as well. So we have carried forward in its entirety the wild rivers elements into the strategic environmental area declarations by one form or another.

The Cape York Regional Planning Committee strongly supports the transition of the wild river areas on Cape York into strategic environmental areas under the RPI Act and the ongoing process for review of these areas under the Cape York Regional Plan. The regional planning committee is made up of all the mayors from the region, including from the nine Indigenous councils; five ministers; an assistant minister, who is also the local state member of parliament; as well as industry and community representatives.

On 3 June 2014, I introduced the State Development, Infrastructure and Planning (Red Tape Reduction) and Other Legislation Amendment Bill into the Legislative Assembly. The bill has been referred to the State Development, Infrastructure and Industry Committee, as you would all know, and the committee will provide its report by 28 July 2014. As part of that bill, the Wild Rivers Act 2005 is

being repealed because its policy objectives will be effectively implemented through mechanisms within the new act, in particular, the new Regional Planning Interests Act 2014 and Queensland's land use planning and development assessment framework, which includes instruments such as the state planning policy. The objectives sought through the Wild Rivers Act are reflected as state interests in the government's state planning policy, which must then be reflected in local government planning schemes. This allows for appropriate planning controls to be applied to these areas without the duplication of the Wild Rivers Act processes. Similarly, water planning matters will be addressed through the existing structures and processes such as the water resources plans and the Water Act 2000, as previously announced by the government in the Channel Country of Western Queensland.

It is important, I think, to reinforce that, before the Wild Rivers Act is repealed, all of the elements of it will be duplicated by other legislation. In fact, there will be a little small period of time where there will be a dual system until we repeal the act.

Mr MULHERIN: Thank you, Mr Chair. Page 3 of the SDS refers to an integrated resort development. Deputy Premier, I note that Echo Entertainment has donated \$18,700 to the Queensland LNP, Ms Roslyn Packer has donated \$580,000 to the federal Liberal Party and Mr Fung has donated \$10,000 to the Queensland LNP since the second half of 2012. Of these donations, \$11,000 from Echo and \$10,000 from Mr Fung were received in the period between your meeting with the successful proponents and the probity adviser being appointed. Is this just a sheer coincidence?

Mr SEENEY: Mr Chairman, I have no idea whether the figures that the member is referring to are right, wrong, or indifferent. I have no idea who donates what to any political party, my own included. Irrespective of that, it would not make any difference. There is only one person who has ever told me what they have donated to the political party and tried to claim special privileges because of it and he now has his own political party.

Mr MULHERIN: Deputy Premier, Mr Scanlan was paid by the LNP to do its 2012 state election costings as well as the LNP's federal election costings in 2013. Do you think that this secondary employment gives rise to a clear conflict of interest for Mr Scanlan?

Mr SEENEY: Mr Chairman, I think Mr Scanlan has been appointed to significant positions by all sides of politics. He has been the Auditor-General for the government of which Mr Mulherin was a part. I think anyone who seeks to cast doubt upon his integrity is drawing a very longbow indeed.

Mr MULHERIN: What I am referring to is that he was engaged by your political party to sign off on the election commitments and then he was appointed as a probity adviser. It could send a message that he might be doing the bidding for the government. I know Mr Scanlan and I know that he probably would not, but the issue is one of probity and integrity in the process, I suppose, which then leads me to BDO Kendalls. They have made significant donations to the LNP—over \$64,000 since the second half of 2011. Do you think that it is appropriate to have a probity consultant who has made a significant political donation to a party a probity consultant?

CHAIR: Member for Mackay, I would ask you to reword that question to demonstrate relevance to the SDS that we are currently examining.

Mr MULHERIN: This is about the integrity of the approval processes for the integrated resort developments, Mr Chair. I am just raising the issue that the government has hired a probity consultant to provide advice to assist Mr Scanlan, but the same probity advisers have also made political donations to the party. Do you think that this is appropriate for a probity consultant?

CHAIR: Deputy Premier—

Mr SEENEY: Mr Chairman, I am happy to repeat my answer. I have no idea, I have no knowledge of who has donated money to any political party and it would not make any difference if I did and anybody who doubts that should go and have a chat to Clive Palmer.

Mr MULHERIN: But before the appointment, would you not think that the department would ask a question like that? 'Have you made a donation to the government?'

Mr SEENEY: Anyone in my department who asked that question would be very quickly working for somebody else.

Mr MULHERIN: How much are BDO and Len Scanlan receiving from taxpayers for their work as probity consultants and probity advisers on this integrated resort EOI process?

Mr SEENEY: I do not know. Does anybody know? We can find that out for you. They would be getting paid normal commercial rates.

Mr MULHERIN: So you will provide the committee with a response, Deputy Premier?

CHAIR: Are you happy to take that on notice?

Mr SEENEY: I am happy to take it on notice. I do not know what people are getting paid. They would be getting paid normal commercial rates and, no, I am not happy to take it on notice. I think that is the answer. They are being paid normal commercial rates.

CHAIR: So just to clarify, you are not prepared to take the question on notice? That is your answer?

Mr SEENEY: No, they are being paid normal commercial rates.

Mr MULHERIN: Were any applications sought for the role of Len Scanlan as probity adviser and BDO as the probity consultant? If not, why not?

Mr SEENEY: It was not a position that we advertised for in a way that you are implying. There were a number of people considered and on a short list, all of whom would have been appropriate, but at the end of the day both Len Scanlan and BDO Kendalls were the ones that were selected.

Mr MULHERIN: Will the probity reports by BDO Kendalls and Mr Scanlan be released publicly, and if not why not?

Mr SEENEY: I am not sure what reports the member is referring to. They are to provide advice. I am not sure they do that in any sort of a formal reporting function. Director-General, are you aware of any reports, I am not?

Mr Edwards: The probity advisers attend all meetings that we as a department have with any of the proponents. It depends on what level of meeting it is whether BDO or Len Scanlan attend. Len Scanlan does provide us with a confidential report on how he sees probity going throughout the process. That report contains commercial information. I can say to the committee that there have been no concerns or issues raised by Mr Scanlan or BDO about the probity of both the integrated resort development or the Queen's Wharf development.

Mr MULHERIN: I have some questions on planning. Deputy Premier, can you advise why the Priority Development Infrastructure Co-investment Program, which was slated to be in place by 1 July, has not been publicly released?

Mr SEENEY: Well, it has. I have spoken to a number of local governments. We are considering a number of projects for funding under that program.

Mr MULHERIN: Can you advise what the yearly budget will be for the Priority Development Infrastructure Co-investment Program?

Mr SEENEY: That will depend entirely on the outcomes of the Treasurer's Strong Choices program.

Mr MULHERIN: So it is linked to asset sales?

Mr SEENEY: I have made that clear right from the start. EDQ have a certain amount of resources now that we are redirecting, but there is no definitive figure involved between now and when the people of Queensland have an opportunity to give us a mandate for the Strong Choices program.

Mr MULHERIN: Can you advise whether any local governments have expressed any concerns to you about the process to develop the Priority Development Infrastructure Co-investment Program?

Mr SEENEY: No.

Mr MULHERIN: As you are aware, the Priority Development Infrastructure Co-investment Program is only available to councils which adopt the fair value schedule of infrastructure charges. In effect, to obtain state government co-investment local government must forgo revenue from property developers. Any astute council will only adopt the fair value charges and the associated drop in revenue with an equal or greater injection of funds from the state government under the Priority Development Infrastructure Co-investment Program. Has your department provided Economic Development Queensland with any modelling to estimate how much revenue local government will forgo by adopting the fair value schedule of infrastructure charges?

Mr SEENEY: I could not have put it any better than the member did. Councils have to forgo revenue because infrastructure charges are not supposed to be about revenue. They are supposed to be about recovering fair value for the provision of infrastructure. Councils that strike the fair value charges are eligible for co-funding. If councils insist on continuing to use infrastructure charges as a revenue-raising mechanism then we are not going to co-fund them?

Mr MULHERIN: Have local government been informed about how much funding in dollar terms they will each be individually eligible for under this Priority Development Infrastructure Co-investment Program?

Mr SEENEY: No, I think you totally misunderstand the program. It is about funding projects. Each council can bring forward projects that they believe meet the government's intent of co-funding catalytic infrastructure. So it can be as little or as large as the councils might like to suggest to us.

Mr MULHERIN: So it is effective from 1 July this year?

Mr SEENEY: Yes.

Mr MULHERIN: But money will not be available until—

Mr SEENEY: Money is available now. We are considering projects now.

Mr MULHERIN: How much money is available? That was the question I asked earlier.

Mr SEENEY: That is the answer I—

Mr MULHERIN: You indicated that it will be determined by the election mandate over asset sales.

Mr SEENEY: That is right. But we have funds available to us at the moment through EDQ.

Mr MULHERIN: What is the quantum of those funds?

Mr SEENEY: There is no defined amount. It is financial assets that EDQ have available because EDQ has money coming backwards and forwards from property sales all the time.

Mr MULHERIN: Will it meet projects that are underway?

Mr SEENEY: It certainly exceeds the value of all the applications that we have had at the moment.

Mr MULHERIN: Has your department done any modelling on the effects the adoption of the fair value schedule of infrastructure charges and the consequential participation in the Priority Development Infrastructure Co-Investment Program will have on the financial results of local councils? We hear local councils saying that their charges are fair, but to get access to any co-investment they may have to reduce their charges. Have you had any modelling done? Will they have to increase rates to make up the shortfall?

Mr SEENEY: As I said in the parliament, I think in two ministerial statements, this was a very long consultation process that forensically examined the issue that we all know has been a longstanding issue. It involved a whole lot of financial calculations to arrive at a fair value charge. Some 13 separate workshops were involved in what was a very long process. I think it is well understood how the fair value charge was arrived at. While some individual councils might continue to make emotive claims in the media they cannot, I think, challenge the wealth of data and evidence that was accumulated in that long process.

Mr MULHERIN: A media release dated 5 June states that Economic Development Queensland is already discussing potential priority development projects with a number of local governments. Can the minister advise which local governments have expressed interest in the types of infrastructure projects which are being discussed?

Mr SEENEY: I certainly know the list, but I do not think it would be appropriate for me to release them. If councils want to publicise that, it is up to them.

Mr MULHERIN: Can you please advise about the implementation of MyDAS, the electronic lodgement system of SARA applications? Have there been any teething problems with the implementation of MyDAS?

Mr SEENEY: Not at all. SARA has been one of the great success stories. We did expect some teething problems, I think it is fair to say, but it has worked over and above our expectations. There have been some great comments made by industry about it and great performance indicators. Some of the key targets we had were that 97 per cent of the total referral responses were issued without an extension of time. Our target was 80 per cent. Some 38 per cent of the total referral responses are issued within five business days. Our target was five per cent. Some 66 per cent of total applications to SARA as an assessment manager are decided within 20 business day. The target was 40 per cent. Some 42 per cent of total applications to SARA as an assessment manager are decided within five business days. Our target was five per cent. We have well and truly exceeded the targets.

CHAIR: Can I say that some of those targets sound a bit low.

Mr MULHERIN: So overall you would say the reaction from stakeholders would be favourable?

Mr SEENEY: Absolutely.

Mr MULHERIN: And from frequent users?

Mr SEENEY: Absolutely.

Mr MULHERIN: Has the implementation of MyDAS come within the initial budget for the project?

Mr SEENEY: It was dealt with within the budget of the department. There was not a particular budget allocation that I am aware of. It was funded internally.

Mr MULHERIN: What was the cost?

Mr SEENEY: It was funded internally within the department. The department's existing resources were used.

Mr MULHERIN: So has it been fully operational for public use since 2013-14?

Mr SEENEY: That is right.

Mr MULHERIN: I go to 1 William Street, at page 9 of the SDS—the role of the agency in assisting the government to deliver on the construction pillar. Information obtained under right to information shows that Jones Lang LaSalle has received more than \$1 million for their work on 1 William Street. Did Jones Lang LaSalle go through any tender process to be initially selected for this project?

Mr SEENEY: I think that is a question you probably need to direct to Treasury and Projects Queensland. That is not something that we would have been involved in.

Mr MULHERIN: You do not know if a tender process was—

Mr SEENEY: As I said, you need to direct that to Projects Queensland which is a unit of Treasury. The role of this department in 1 William Street is a planning one.

Mr MULHERIN: The LNP have once again received donations from Jones Lang LaSalle who launched the LNP's economic blueprint and have since received work on the government's property asset utilisation review, the 1 William Street project, the sale of seven CBD office buildings and the management of those buildings from QIC. Deputy Premier, why is the government so heavily dependent on Jones Lang LaSalle's services?

CHAIR: I will ask you to reword the question so that it is relevant to the expenditure that we are considering.

Mr SEENEY: I have no idea what the question is about, Mr Chairman. I have already indicated, Mr Chairman, that I have no knowledge of who makes donations to political parties. It does not make any difference whether if they did or not. If the member for Mackay wants confirmation of that he should go and have a chat to Clive Palmer.

CHAIR: I might wrap up with one final question in the short time we have available. Deputy Premier, with regard to the single State Planning Policy that your department has implemented in this state, can you give us an outline as to how it has improved the planning and development processes in Queensland?

Mr SEENEY: James Coutts might be the man to give us a detailed presentation.

CHAIR: Mr Coutts, the detail can last for four minutes.

Mr Coutts: Thank you for the question. Yes, the State Planning Policy, commonly referred to as the SPP—which I will call it for the sake of brevity—is the component of Queensland's land use planning system that enables development, protects our natural environment and allows communities to grow and prosper. It provides a comprehensive set of principles which underpin Queensland's planning system to guide local government and state government in land use planning and development assessment. It is worth bearing in mind that the previous situation saw 14 separate state planning policies. The essence of this being one is providing a much clearer direction. The SPP was introduced and, at the same time, amendments were made to the sustainable planning regulation to enable the full function of the SPP and to change the hierarchy of instruments so that the SPP now prevails over other instruments such as the regional plan to the extent of any inconsistency. That is important in ensuring the regional plans play their role most effectively.

The SPP has delivered a coordinated whole-of-government approach to the state's assessment of local planning schemes, which was a significant issue in the past. With the commencement of the SPP the department has a designated team to assist stakeholders with its implementation. It has included support for local government to enable a seamless transition from the former collection of policies into this new single policy. It has undergone some amendments to better align with current government priorities and in particular ensure the government's new Environmental Offsets Act 2014 can be implemented in a consistent manner across the state.

It is supported by an interactive mapping system—that is, a repository for all available geographic information system and contains all of those layers prepared and sourced across the state that relate to matters of state interest. That mapping system provides a visual representation of the policies and requirements associated with some state interests and contains both statutory and advisory mapping. That has been of enormous assistance to local governments and proponents. It is the first time we have seen one mapping system which was a repository and reference for all matters of this kind.

Since the commencement of the SPP the department has reviewed all guidance material released in support of the SPP. There will now be one guideline per state interest, which replaces over 25 guidelines, fact sheets and other material, to further streamline the implementation process. Some 13 of the 16 guidelines are now currently available on the department's web page with the other three to be finalised shortly. Each guideline has a similar structure to provide advice on the core concepts of the State Planning Policy, how those state interests can be integrated into planning schemes and applying the interim development assessment requirements by local government. The guidelines incorporate model planning scheme provisions to support local government and codes to further assist local governments in their plan making endeavours.

CHAIR: Thank you for your brevity. The committee will now break for lunch.

Proceedings suspended from 1.00 pm to 2.02 pm



CHAIR: I welcome everyone back. The committee will continue its examination of the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning. Before we commence our questions on the Major Projects Office, I would like to remind everyone to ensure that their mobile phones are either switched off or turned to silent mode.

Deputy Premier, I would like to start the questioning with regard to major projects and I would like to kick off with something that is very close to my electorate and dear to my heart, and that is the work that the Queensland government has been doing in the Mary Valley to promote job and growth creation in the Mary Valley. Could you update the committee on what measures are being taken to ensure such opportunities continue in this important area of Queensland?

Mr SEENEY: Thank you, Mr Chair. I would be delighted to talk about the Mary Valley because it too, like so many other things we have talked about here this morning, was a problem that we inherited, a seemingly almost insoluble mess, as we have described a number of other situations that we have talked about this morning to demonstrate the success with which the department dealt with those issues. And so it is with the Mary Valley. Matt Levido, could I ask you to go through some detail in terms of how the government's strategy in the Mary Valley is progressing?

In terms of introducing that, the government took a policy decision that we needed to return the Mary Valley to a sense of normalcy—a normal community. As the local member, Mr Chairman, you were involved in that decision. We recognised that we were never going to recover the money that had been invested—or wasted some people would more rightly say—by the previous government, but we felt it was more important we return the Mary Valley to something resembling a more normal community that could make a contribution to the economic base of the region both within the valley and the more broader Gympie region. Matt, I would ask you to provide the committee with an update of where that process is at.

Mr Levido: Thank you, Deputy Premier and Mr Chair. The Mary Valley economic development program is facilitating existing local enterprises to expand their operations as well as encouraging new and existing operations to buy in the Mary Valley. Six development leases have been signed in the 2013-14 financial year, adding to the existing six that were signed in the previous financial year. Seven of these 12 transactions are with local enterprises seeking to expand their operations. These 12 enterprises have projected annual operational expenditure of approximately \$8.6 million. They will create 133 full-time jobs and will invest over \$10 million in capital expenditure in the local community.

As these development leases proceed to purchase, the value of the land is \$7.5 million. Three proponents have already chosen to exercise their option to purchase their lease properties and have now settled. We have also successfully negotiated a heads of agreement with the Australian Quarter Horse Racing Development Pty Ltd which was announced by the Premier earlier this year. The quarter horse proponents wish to purchase approximately 1,600 hectares of land in the Mary Valley. This proposal promotes growth by establishing a new industry in Queensland as well as the development of quarter horse racing facilities and associated equine and leisure industries. This investment is estimated to be worth \$60 million, with the potential to create 144 jobs, and will stimulate significant flow-on business in the broader community.

Along with these strategies to promote job growth and creation of employment in the Mary Valley, 137 properties have been sold back to the community this year compared to 57 in the previous year. This has been achieved through 11 property tranche releases and two auction events. This sales method mitigates negative impacts on land values in the area, with tranches 11 and 12 properties receiving an average offer of 10 and 16 per cent respectively above their list price recently, clearly demonstrating a strengthening local economy and local property market.

The Mary Valley economic development advisory board has been in place since August 2012 to ensure the success of the strategy. This group is led by Mr David Gibson MP, the member for Gympie, and I, as the director of the Mary Valley project, sit on the board, along with representatives of the local council and business community. The group uses local knowledge to raise issues which are being faced by local business and industry and also disseminates project information, opportunities and the project's status to business and the wider community. The group also focuses on determining how these opportunities will continue in the area. Our team is engaged with the Gympie Regional Council, the Gympie Chamber of Commerce and local businesses to deliver this project, as well as various department organised and local events to encourage and strengthen relationships between local businesses.

CHAIR: I have a supplementary question, Deputy Premier. We heard about the property sales. One of the issues obviously was that a lot of people had long-term leases. Could the committee get a feel for how many of those people are buying back their properties, even despite the fact that commercially a long-term lease might be more financially attractive for them to do so?

Mr SEENEY: Yes, absolutely. Because they were so varied—because they were so non-commercial I suppose is probably the kindest term—the issue of the leases has presented a formidable challenge in returning the valley to a more normal situation. Matt, do you have some figures and indication about how the properties that were leased have been handled?

Mr Levido: Yes. One of the initial strategies we embarked upon was a tenant purchase scheme whereby we provided for every existing tenant the opportunity to buy back the houses which included those particular tenants on short-term RTAs and also long-term QWI leases which go to 2035. Of the 258 or so eligible tenants that we had, we had 111 expressions of interest, of which 85 properties were deemed to be appropriate to move forward under that scheme. I am happy to say that of the 85 we have actually settled 84 to date. There is one outstanding. The number of QWI tenants involved in that is 45, so that is approximately a bit over half who actually took up the opportunity.

Notwithstanding that, there are probably another 50-odd QWI properties which are yet to be divested. We are going through a process now whereby we progressively release those to the market, albeit at a significant discount given the encumbrance of the other lease term. However, to date we have listed 12 on the open market of which we have sold 10, and interestingly three of those have been investors.

CHAIR: I call the member for Keppel.

Mr YOUNG: I refer to page 4 of the Service Delivery Statements. Deputy Premier, can you please detail the measures that have been taken to boost construction and tourism through the private investment opportunities?

Mr SEENEY: I thank the member for Keppel for the question. It goes to the core of our department's purpose for existing. On 29 May 2012 I announced the government's plans to redevelop the government precinct now known as the Queen's Wharf Brisbane project. The first phase of the project was an offer to market for the development of 1 William Street, which is currently managed by Projects Queensland, which is due to be completed by late 2016 and is today running quite a number of months ahead of schedule. It is good to see that construction site immediately adjacent to the parliamentary complex emerging, if you like, out of the ground. I think it is up to about seven levels now. But it will make possible the development of the Queen's Wharf Brisbane project. The vision for

Queen's Wharf Brisbane is for it to become a unique and vibrant new world city development that attracts visitors and investment, reconnects the activity of the Brisbane city centre to the river, preserves and celebrates Brisbane's heritage, and delivers high-quality public spaces. The state expects the landmark development to put Queensland and Brisbane on the world stage as an international tourism destination.

The Queen's Wharf Brisbane project will stimulate and support two of Queensland's four economic pillars by providing opportunities for the private sector initiated and funded construction and tourism development through effective and equitable engagement with the market. As well as Queen's Wharf Brisbane, the two integrated resort developments that we have already referred to being investigated—one on the Gold Coast and one in Cairns—are also about boosting construction and tourism through accessing the capital and expertise of the private sector.

CHAIR: I call the member for Burleigh.

Mr HART: Deputy Premier, obviously coming from the Gold Coast I have an interest in the Commonwealth Games. I have a number of questions relating to that. I refer to page 4 of the SDS. What is the Queensland government doing to ensure important sporting infrastructure is delivered on time for the Commonwealth Games in 2018?

Mr SEENEY: Thank you, member for Burleigh. I appreciate that it is an important question for you about ensuring that the important sporting infrastructure is delivered on time. It is also a very important issue for a number of people sitting around me this afternoon because, as I indicated earlier this morning, we are the builders. Our responsibility is to build the infrastructure. The Minister for the Commonwealth Games has the responsibility for staging the games, but the responsibility for providing the infrastructure belongs firmly with the group of people that I lead. We are determined that we are not going to see a repeat of the situation that has existed around the world in a number of other places where there has been a last minute panic to make sure that the infrastructure is ready.

So I can confirm that the Gold Coast 2018 Commonwealth Games will be hosted across 18 venues located on the Gold Coast and in Brisbane, Cairns and Townsville. My department is responsible for ensuring that this important sport and community infrastructure is delivered on time and on budget. Planning and preparation for these venues is well underway to ensure athletes compete in technically excellent facilities and visitors are provided with world-class experiences. In preparation for the games, my department will deliver three new world-class competition venues and undertake major upgrades to a further eight venues that will provide important sport and community facilities for South-East Queensland.

In June 2014 my department released the Gold Coast 2018 venue delivery program that demonstrates how the competition venue infrastructure is scheduled to be delivered 12 months ahead of the Gold Coast 2018 Commonwealth Games. The delivery program was developed through extensive stakeholder consultation undertaken by the department. The program is an important roadmap that outlines when the world-class venue infrastructure will be delivered over the next three years in preparation for the Commonwealth Games.

Early design works for the Carrara Sport and Leisure Centre, the Coomera Sport and Leisure Centre and the new Queensland State Velodrome commenced in late 2013, and concept drawings were released to the public in June 2014. I am pleased to report that the construction of the three new venues is scheduled to commence in late 2014 and all three venues will be completed by mid-2016. This means that the three largest venue infrastructure projects will be completed approximately 21 months before the games are due to begin—well in advance. Early planning for other venues, including the Gold Coast Hockey Centre, Nerang mountain bike trails, Broadbeach bowls club, Carrara Indoor Stadium, the Runaway Bay sports centre and the Belmont shooting range, is now underway and construction works for these venues is scheduled to be completed at least 12 months before the games.

I am pleased to report that the Gold Coast Aquatic Centre redevelopment was successfully delivered almost four years ahead of the games and the venue was handed back to the City of Gold Coast in June. The Gold Coast Aquatic Centre was delivered earlier than originally planned to enable the Pan Pacific championships to be held in August 2014. Among the new facilities is a 50-metre competition pool, a refurbished 50-metre training pool, a diving pool, a dry-dive facility as well as a range of community facilities including a creche, cafe, children's play pool and a learn-to-swim pool. Transformation of the Gold Coast Aquatic Centre has provided the Gold Coast with a world-class swimming and diving facility, and this venue is just a taste of what is to come in the lead-up to the games.

The early delivery of all new and upgraded venues at least 12 months ahead of the games will enable thorough testing of the venues in the lead-up to the first Commonwealth Games ever to be hosted by a regional centre. Queenslanders can be confident that all venue infrastructure will be delivered on time and on budget well in advance of the Gold Coast 2018 Commonwealth Games and we will avoid the sort of concern that we have seen expressed at other major sporting venues around the world.

Mr HART: I refer to page 48 of the SDS. With the opening of the new Gold Coast hospital, can the Deputy Premier please provide an update on what is happening with the former Gold Coast hospital site at Southport?

Mr SEENEY: Thank you, member for Burleigh. I think the best person to provide an update to the committee is my assistant minister. With your indulgence, Chair, I would ask the member for Southport, Mr Rob Molhoek, to brief the committee on this issue. He has been managing it for me.

Mr MOLHOEK: Thanks, Deputy Premier. I have to say that the site presents some really exciting opportunities for the Gold Coast, being adjacent to the new light-rail station that will open this weekend. There has been very strong interest already from the real estate market and a conga line of people coming to my office asking what is happening.

Following the commissioning of the new Gold Coast University Hospital in September of last year, the government approved the demolition and divestment strategy for the old Gold Coast hospital at Southport. While several scenarios for the site were considered, the optimum solution is the sale of the cleared site. The government's priority is to safely and effectively demolish existing buildings on the site and then release the site to the market for redevelopment. The site is fortuitously located in the new Southport priority development area and its redevelopment will enliven the Southport business district.

It is exciting to see the amount of interest that the new PDA has generated for the Gold Coast and Southport. In fact, there has been something like 18 new major development approvals just within that PDA in the last three months for buildings ranging between eight storeys and, the most recent expression of interest in another site in Southport, 104 storeys. So the government's strategy around the PDAs is absolutely working. It will be great for Southport and the Gold Coast.

In terms of the old hospital site, however, the government will consider either the sale of large individual lots or a single sale of the 3½-hectare site. The Major Projects Office within the Department of State Development, Infrastructure and Planning is responsible for managing the demolition works. The hospital demolition is a complex project involving the removal and disposal of a significant quantity of hazardous waste materials, particularly asbestos, the demolition of multiple buildings and structures and then, of course, site remediation and reinstatement.

The question I most often get asked on the Gold Coast about the site is, 'Do you think we will ever unearth the secret tunnel the Americans were alleged to have built during the Second World War that leads from the basement of the hospital somewhere down to some secret opening on the Broadwater or the Spit?' I have made sure that Rosenlund, the company that has been appointed, are well aware of that and that I am the first to know if they do find that secret tunnel!

Given the inherent risks, the demolition project will be managed rigorously. Stuart Pickering is here from the department. We have had many discussions about some of those challenges. We have talked about the need for ongoing monitoring of air quality around the site. There has been a range of residents' concerns and local business concerns, but all of those have been addressed in a timely and beneficially appropriate way by our government. The demolition activities will actually commence this month. In fact, Rosenlund took over the site last Friday. All going to plan, it will be completed and the site remediated by May 2015.

The decision to demolish the hospital has provided the opportunity to relocate some hospital equipment from the hospital stores to the Bairo Pite Hospital in East Timor, where it can be put to good use. I am pleased to have been able to work with the Broadwater Southport Rotary Club, who have relocated the old chapel that was at the hospital. That has already been moved. It was quite an effort. It got moved in three sections about two months ago down to the Broadwater Parklands. The Southport rotary club working with the Broadbeach rotary club have removed that building and they will be working together to restore it. It will be a great asset down on the Broadwater for family events, weddings and special occasions.

The Government Land and Asset Management group within DSDIP is tasked with the divestment of the site. A reputable marketing agent will be engaged to offer the site to the open market. It is anticipated that the Government Land and Asset Management team will commence the marketing campaign for the sale of the site during the second quarter of this year.

Ms MILLARD: Bringing the questioning back to Brisbane, I just want to hear a little bit about South Bank and the Roma Street Parkland with regard to the agreement between the state government and Brisbane City Council as to how to manage those two areas.

Mr SEENEY: Jeff Weigh is here. I might ask him to respond to your question.

Mr Weigh: The transition of the parklands from South Bank Corporation to Brisbane City Council took effect on 1 July last year, so we have just completed the first year of the new arrangements. Planning responsibility went across on 1 February last year so that there was some continuity in terms of approvals under the South Bank scheme.

South Bank Corporation retains some planning roles, particularly in respect of ongoing projects, in particular the Southpoint project at the top of Grey Street. From my perspective, the transition has gone particularly well in terms of the public and the tenants at South Bank. It has been a seamless, unnoticed event, which I think is what we would all be seeking.

The agreements I can only speak of in general in the sense that the South Bank Corporation was a signatory to a lot but not all of the agreements, but there is a 10-year lease to the Brisbane City Council and they operate that under a subsidiary corporation called CPTS. There has been a particularly good working relationship and, as I say, a seamless outcome.

There is a management agreement in place that is the primary document in terms of the way we operate each and every day. The standards to which council need to perform are detailed in that document. They are independently verified in terms of hygiene, the state of the harbour, the state of the lawns, the state of the pool. There is a lot of detail behind that. I think people visiting South Bank would realise that not much has changed. In fact, I would have to say that, because it is the Brisbane City Council and they look after a lot of parklands, the grass is probably a touch better.

CHAIR: Could I pick up on something that was just mentioned. There may be a variety of reasons for it. Jeff just mentioned it was a 10-year lease to the Brisbane City Council. Often the duration of leases will enable sourcing of finance to make long-term investments et cetera. That does not seem a particularly long period of time. Would you care to expand for the committee the rationale behind a 10-year lease on the South Bank area to BCC?

Mr SEENEY: The 10-year lease you are referring to, which lease was that? From the government to the—

Mr Weigh: Yes, that was from the government to the Brisbane City Council on the parkland components of the site.

Mr SEENEY: I might ask Stuart to explain the rationale behind the 10-year lease.

Mr Pickering: Yes, I can. The funding agreement provides council with a maximum amount of operational expenditure each year. This is very much like a service-level agreement that we have with council. It is locked in for a 10-year period in terms of the life of the agreement, which can be extended by the parties if they agree in 2023. So there is an extension to the agreement. The funding for the first year of operation was calculated by reference to the previous costs incurred by the South Bank Corporation and the Department of Housing and Public Works to manage the parklands. So it was based on previous data in terms of its operational costs. And over about a 12-month period we interrogated that data on both sides to make sure that, in terms of its robustness, we were confident with the actual budget that we were providing to Brisbane City Council.

Future maximum operational expenditure is calculated by indexing that initial amount annually. So we allow for ongoing increases in costs. A capital budget is also approved annually in accordance with an asset management plan in consultation with Queensland Treasury and Trade, as contemplated in the funding agreement. We have now seen a case where the new entity, CPTS, has actually done a five-year asset strategy, which we have never had before, so we can actually calculate about five years in advance what our potential capital expenditure might be.

It is very much a service-level agreement, which is why we have the 10-year requirement. There is no real requirement on CPTS to consider investment as such, because it is just basically a service-level agreement.

CHAIR: We have been bouncing around the state. We might go a bit north now. I think all of us are very aware of the impact on the Mission Beach community that suffered under Cyclone Yasi in 2011. Could you outline for the benefit of the committee the work that has been undertaken to improve boating conditions in and around Mission Beach?

Mr SEENEY: The object of the Mission Beach Safe Boating Infrastructure project is to improve boating conditions within Boat Bay at Mission Beach in Far North Queensland. This is expected to result in greater economic development opportunities in the area and boost local tourism. Achievements in the 2013-14 financial year include the appointment of Aurecon Australia Pty Ltd to undertake technical and environmental studies, select suitable design solutions for the project objectives and secure project approvals. There was also selection of the preferred infrastructure after community consultation and a multicriteria analysis. Works are proposed at the Perry Harvey Jetty and the Clump Point Boat Ramp. Detailed physical modelling of the proposed overtopping breakwater at the jetty to demonstrate minimal impacts on the beach environment has also been carried out. We have also had a determination by the Commonwealth's Department of the Environment that proposed works at both the jetty and the boat ramp are not a controlled action under the Environment Protection and Biodiversity Conservation Act.

Also, significant progress has been made on the detailed design drawings and the preparation of tender documentation. Aurecon was engaged in September 2013 by the Department of State Development, Infrastructure and Planning to conduct the technical environmental studies, obtain project approvals and undertake design development of the preferred infrastructure concepts to improve boating safety at Boat Bay and Mission Beach.

On 18 October, Aurecon conducted a multi criteria analysis workshop where 20 infrastructure concepts were ranked according to their functionality, resilience, price, community expectations and environmental impacts. The highest ranked options were presented to various Mission Beach community stakeholders on 29 November 2013, and it is fair to say that there were varying views expressed. The preferred infrastructure solutions reflect community preferences to separate recreational users and large commercial operators, to minimise the impact on the environment, to increase economic activity in the region, and to respect Boat Bay's natural beauty and cultural values.

Since March 2013, there have been face-to-face consultations with stakeholder groups from the wider community on six separate occasions. An initial brochure explaining the project background and seeking community feedback on the preferred solutions was mailed to 1,700 local residences in early February 2014. The project team visited Mission Beach during the week commencing Monday, 17 February 2014 to listen to the community's views in regard to the infrastructure being proposed. Following this consultation, community feedback was incorporated into the final stage of the design. A second mail-out in mid March 2014 presented the updated project designs, and the project team returned to Mission Beach in late March to display the revised proposals.

The proposed works now include: an overtopping breakwater to shelter the Perry Harvey Jetty during ambient conditions, a new access ramp attached to the Perry Harvey Jetty, two moorings for commercial vessels, an additional boat ramp lane and a pontoon at Clump Point, an increase in car and trailer parking from 19 to 60 spaces, a public toilet block and a trailer wash-down at an overflow car park at Clump Point, removal of rock hazards from Clump Point boat ramp at the approach channel, improved car park drainage with run-off directed towards the toe of the boat ramp as a desilting measure, and the installation of solar lighting. The upgrades to the jetty will service larger vessels, and upgrades at Clump Point will cater for the small boats capable of being launched from the boat ramp. Construction planning is underway, and although detailed development time frames are yet to be settled, construction is expected to commence in the third quarter of 2014. Applications for project approval are being progressed and being modified to reflect final design details. Project funding of \$18.9 million is available in 2014-15 for completion of the construction activities in the first half of 2015.

CHAIR: I now call the member for Mackay.

Mr MULHERIN: My question is directed to the Deputy Premier and it relates to the GasFields Commission, in particular page 7 of the SDS and also page 36 of budget paper 4. I refer to the additional allocation of \$2.5 million to the GasFields Commission as set out on page 7 of the SDS. How will this funding be allocated? I am looking for an explanation beyond that on page 15 of the SDS where it states it will 'improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland'.

Mr SEENEY: One of the things that I have explained repeatedly since the GasFields Commission was set up is the requirement for it to be independent of government. We provide the GasFields Commission with funding; it is up to the commissioners how they spend it.

Mr MULHERIN: So maybe the chief executive or the general manager might want to elaborate further, with your indulgence, Deputy Premier?

Mr SEENEY: Do you have a specific question?

Mr MULHERIN: It says it is to 'improve sustainable coexistence among rural landholders, regional communities and the onshore gas industry in Queensland'. That is the explanation for the \$2.5 million. Can you give further details please?

Mr SEENEY: You want details about the activities of the GasFields Commission?

Mr MULHERIN: Why was there a need for an additional \$2.5 million?

Mr SEENEY: As I said, the government funds the GasFields Commission. We provide the funding that is requested in the main.

Mr MULHERIN: What was the case for the additional funding?

Mr SEENEY: I do not think it is additional funding. It is the same amount as previously.

Mr MULHERIN: Page 36 of budget paper 4 states that additional funding for the GasFields Commission is 'in accordance with the Queensland Competition Authority's Coal Seam Gas Review Final Report'. In this report concerns are raised, and it says, 'Agency information indicates that the cost of CSG regulatory services in 2013-14 is around \$29 million, with cost recovery of around \$14 million.' That implies that agencies do not expect to recover around \$15 million in regulatory costs from the industry. What action is the government taking to address this lack of cost recovery on CSG regulation?

Mr SEENEY: We are looking at examination of regulatory requirements across the board, if you like, for the coal seam gas industry and the QCC were involved in that. I think what you are quoting from there is a reference to their involvement. It will now be a decision for government as to the extent to which the fees are increased to achieve a greater proportion of cost recovery.

Mr MULHERIN: Would you go to 100 per cent cost recovery?

Mr SEENEY: No, there has been no decision made in that regard. This is another area where the existing situation that we inherited could best be described as a bit of a mess. There were a whole range of fees being paid to a whole range of different departments. I think the progress of that work is ongoing as to what extent those fees can be justified and what is the best way to regulate the gas industry and to what extent we should try to recover the cost of that. There was a proposition to have a single fee and no decision has been made in that regard.

Mr MULHERIN: When is it likely that you will have a policy determination on this?

Mr SEENEY: When all the work is completed.

Mr MULHERIN: At the end of the calendar year?

Mr SEENEY: No, we will make the determination when we get all of the work completed.

Mr MULHERIN: I refer once again to page 3 of the SDS, and one of the achievements for 2013-14 was having 'established the Regional Planning Interests Act 2014 and Regional Planning Interests Regulation to manage the impact of resource activities on areas of regional interest'. The Regional Planning Interests Regulation requires that—

... under the *Petroleum and Gas (Production and Safety) Act 2004*, the applicant has in place a strategy about the management of coal seam gas water in relation to the authority or lease which provides for the net replenishment of a regionally significant water source.

Have you held any meetings or had any discussions with Mr Jon Grayson where the beneficial use of coal seam gas water was discussed?

Mr SEENEY: No.

Mr MULHERIN: Thanks.

CHAIR: I call the member for Mount Isa.

Mr KATTER: Deputy Premier, I go to the so-called Royalties for the Regions program. Based on the website details, 52 per cent of that total funding is allocated to the south-east corner of the state, while the north-west minerals province still only receives \$8.3 million, or 3.4 per cent of the total funding. How can you justify such a low level of investment for the north-west minerals province?

Mr SEENEY: I thank the member for Mount Isa for the question. As I indicated before, applications for Royalties for the Regions funding are assessed independently by officers of my department against established criteria. I am very happy to work with the member for Mount Isa and any other local member to assist them to ensure that their applications meet that criteria.

Mr KATTER: So you see no role to play from yourself, if only from a public perception point of view? I am wondering about how the department is rolling it out in relation to it being based on the merits of the application and an allocation of resources from the government's point of view. I think the perfect example is Blakeys Crossing in Townsville. I would have thought that the main reason for that program would be to pour it into areas where it is going to contribute directly to the development of the region, where you have a developing part of the state like the north-west minerals province or the coalfields. I find it hard to accept that there is not a role for the government to step in there and say, 'Those individual applications were good but in the grander scheme of things that is not a good application, that is not consistent with the thrust of the program.'

Mr SEENEY: As with all government programs, there are criteria that are set and applications are assessed against that criteria—almost always in my experience by independent public servants. The question of whether or not they meet the criteria is made on that basis. I just repeat to the member for Mount Isa that, if you have particular projects that you think should be funded under Royalties for the Regions, we are prepared to provide you with whatever assistance you desire to understand how those projects might meet the criteria.

CHAIR: Member for Mount Isa, do you have any further questions?

Mr KATTER: I will just pursue that again. At the risk of getting the same answer, Deputy Premier, I have not got a percentage on me of the coal production area but it is significantly large and it is receiving less than 30 per cent of the Royalties for the Regions funding. Looking at that, how can that be justified, when a large percentage—that is, 52 per cent—goes into the south-east corner and only about 32 per cent goes into the coalfields, which is by a long shot the largest contributor to the royalties in the state?

Mr SEENEY: I am not sure that I accept the figures and I am not sure on what basis the member is calculating them. Can I just say that we started off on the Royalties for the Regions pilot program that was limited to a small number of shire councils which were suffering most from the growth pressures of the resources industry. It has now been extended to all councils outside of the SEQ area, so it is the SEQ regional plan area. We assess applications based on the criteria. I repeat again the invitation for the member or any other member to receive some assistance and we will make sure they get the assistance.

Mr KATTER: Thanks for the offer. I have one last question on that. Was the decision to move beyond those 14 councils based on the fact that it was seen that that the boom, that stress, had gone out or the conditions had changed in the industry? Was that the basis for that decision?

Mr SEENEY: The decision made in the pilot round was to address the areas of greatest neglect by the previous government. That certainly was in the areas where the boom, to use your words, had the greatest impact on local communities. Once we had done that in the first round, we then extended it and the Royalties for the Regions now has moved beyond just communities that are involved in the resources industry. It is about regional Queensland. It is part of the RegionsQ initiative that I announced in Townsville last week and it will be an important part of delivering some of those RegionsQ initiatives.

Mr KATTER: From that answer, you felt that those pressures were addressed in that first round of royalties and then you opened it up because you felt those pressures on those 14 regions had been addressed?

Mr SEENEY: To some extent; not completely. I would not like you to try and tangle or misquote me, but to some extent we addressed the most pressing needs at the beginning and we have now extended the program to one that is an integral part of RegionsQ.

CHAIR: I call the member for Mackay.

Mr MULHERIN: My question is directed to the director-general. Director-General, I previously asked the Deputy Premier whether he had held any meetings or any discussions with Mr Grayson where the beneficial use of coal seam gas water was discussed. Have you had any meetings with Mr Grayson regarding this issue or anyone in your department?

Mr Edwards: No.

Mr MULHERIN: No-one in your department?

Mr Edwards: No.

Mr MULHERIN: Thanks. In relation to integrated resource developments, Deputy Premier, it was reported in the *Sunday Mail* on 9 June last year that the Premier and other senior ministers held behind closed doors informal discussions with Mr Fung on his project for eight months prior to the 8 July meeting. How many meetings took place? Were departmental officers present at those meetings?

Mr SEENEY: Mr Chairman, I am unaware of the report that the member refers to. I haven't had any meetings with Mr Fung.

Mr MULHERIN: The Director-General may be able to assist. Director-General, why did so many meetings take place with Mr Fung?

Mr Edwards: During which period?

Mr MULHERIN: Prior to the formal expression of interest process.

Mr Edwards: I only attended one meeting which was with the Coordinator-General when Mr Fung came in to talk about his project and the various approvals that he would have to go through. That was the only meeting I attended.

Mr SEENEY: Mr Chairman, just for the sake of clarity so there cannot be any confusion, I haven't attended meetings with Mr Fung. I have had a briefing from Mr Fung's company about his project which I think, on reflection, falls within that time period given that it is a fair while ago and I have had a meeting with representatives of his company which may well have fallen within that time period, too. I do not want to mislead the committee. But nothing that I wouldn't have had with half a dozen other companies proposing tourist propositions in different places across Queensland.

Mr MULHERIN: Deputy Premier, did you meet with Mr Fung on 9 January this year to discuss the Yorkeys Knob proposed development?

Mr SEENEY: Not that I can recollect. Is there a basis for the question?

Mr MULHERIN: The *Cairns Post* reported on 11 January that the proposal had been put on hold for a year due to red tape and the casino licence application stage taking too long. I think it was in your diary. I would need to check. I can get back to you on that. We assume that you had that meeting with either Mr Fung or a representative of the company back on 9 January. The issue was if you had this meeting and Mr Fung had said that he didn't know about the standard EIS and the casino licence application time frames, why wasn't that advised to him at the meeting?

Mr SEENEY: I have just been provided with a copy of the published diary that the minister is referring to. That is the meeting that I was talking about where I had a meeting with representatives of his company: a solicitor and two other people. I didn't meet with Mr Fung.

Mr MULHERIN: Two days later the *Cairns Post* said the whole proposal had been put on hold because of red tape and the casino licence application stage taking too long. How is it that the proponent did not know about the standard EIS and casino licence application time frames that would be required to be adhered to previously?

CHAIR: You will need to re-word that question because you are asking a question that the Deputy Premier cannot answer with regards to what the proponent may or may not have been aware of.

Mr MULHERIN: In respect to the meeting that did take place with the company, the Deputy Premier and representatives of his department, were the time lines for EIS and casino applications discussed at that meeting?

Mr SEENEY: I would expect so. I don't have a photographic memory of the meeting, but we were obviously talking about the project so I would imagine so, yes.

Mr MULHERIN: At that meeting it would appear that maybe different time frames might have been discussed at that meeting. Director-General, can you enlighten the committee on that?

Mr Edwards: I think I was on leave at the time.

Mr MULHERIN: Right. In the Aquis EIS it states that the probable maximum flood is 7.5 metres above sea level which is also the designed flood level of the resort complex. The EIS further details that a significant constraint of the site will be flooding. The EIS claims that the developed site will convey floodwaters in the same manner as the existing site so there is no worsening of flood flows onto properties upstream, downstream or neighbouring sites. Is the government undertaking any independent hydrological modelling to validate these claims?

Mr SEENEY: I think, Mr Chairman, that would have been part of the Coordinator-General's examination or consideration in the EIS project. That probably should have been a question, if you are concerned about it, you could have asked him earlier in the day.

Mr MULHERIN: Would you be prepared to take that on notice and get back to us?

CHAIR: We have the Coordinator-General returning after 4.

Mr SEENEY: That's right. You could save it for later in the day. That is a good idea.

Mr MULHERIN: In the EIS for Aquis it also highlights that a proposal will result in the loss of strategic cropping land, including 211 hectares of sugarcane which makes up 62 per cent of the current site. Will the government be considering further proposals of this nature on strategic cropping land?

Mr SEENEY: The government will always consider proposals that are put to us. The issue of strategic cropping land, as the member would well know from his knowledge of the act which has been now incorporated into the Regional Planning Interests Act, allows for that balance to be struck between the sorts of developments and the continued use of the strategic cropping land. It is always a balance in the decision that has to be made.

Mr MULHERIN: Will it have any impact on the sugar mill that these farms supply?

Mr SEENEY: I don't think there is sugarcane being grown there at the moment, member for Mackay.

Mr MULHERIN: Thank you. It has been reported in the media that Aquis engaged KPMG to conduct an economic cost benefit analysis on the project for the region and the state. While the economic modelling is included in the EIS from Aquis, there is no mention of the KPMG modelling. Did the government ever receive this modelling and, if so, will it be released or do you want me to direct that to the Coordinator-General when he gets back?

Mr SEENEY: I think the Coordinator-General could probably be the best person to answer that, given that you understand, of course, that the Coordinator-General is an independent statutory officer. The consideration of the EIS is up to him and I know that you know that.

Mr MULHERIN: You have always got to try, Deputy Premier. You have always got to have a go. Over to you, Mr Chair.

CHAIR: Thank you for having a go, member for Mackay. As chair I always appreciate that. I might bring us back to the GasFields Commission for some questioning if that is acceptable to everyone. I note that, Ben, we have you here and I might direct the question to you to start with and then perhaps, Deputy Premier, if you want to pick up on it.

Mr SEENEY: I thought the other way around: address it to me and then Ben.

CHAIR: I will address it to you and then you can move it across is perhaps a better way to put it. I would like the committee to get a good feel with regards to the consultation that the GasFields commissioners undertake and that work that they are doing out in those parts of Queensland, both with industry and with landholders.

Mr SEENEY: Thanks, Mr Chairman. I have been keen to talk about the GasFields Commission. It is one of the elements, I think, that the government has put in place that has resolved what was an ugly situation created by the previous government who rushed into resources development without the proper regulatory processes, without the proper community consultation and without the proper landholder protections. We have put all of those things in place, a number of which we have spoken about here today. An important part of that has been the GasFields Commission. The government's policy approach with the GasFields Commission was to have a community based commission made up of people that the community could have confidence in, but to ensure that that commission operated as much as possible in an independent fashion. Members on the committee will remember the legislation that we passed through the House to set up the GasFields Commission provides quite comprehensive powers to the GasFields Commission to inquire into, to seek information—to do pretty much whatever they believe is appropriate—and to report to the government, also given the GasFields Commission's role in the assessment of the regional planning interests approvals under the new RPI act. So, I am very pleased, very gratified, by the role that the GasFields Commission has played and I wanted to take this opportunity today to again congratulate John Cotter and all of his GasFields commissioners for the great role that they have played. John Cotter unfortunately is ill today so Ben Deverson is here and I might ask him to provide the committee with some more details about the GasFields Commission's work.

Mr Deverson: Thank you, Deputy Premier, and thank you, Mr Chair, for the question. Over the last 12 months Commissioner Cotter has driven personally more than 40,000 kilometres around rural and regional Queensland, as you said meeting with individuals, landowners, regional communities, local governments and the onshore gas proponents. I guess the goal of the commission in that regard is to ensure that we seek information from a wide range of sources and from the people who are directly impacted by the onshore gas industry. Furthermore, the other commissioners that the Deputy Premier mentioned who are part-time have collectively travelled over 23,000 kilometres, not to mention the 40,000-odd kilometres travelled by air by the commissioners and staff.

The flagship events of the commission are our community leaders councils as outlined in the GasFields Commission Act. In the south those meetings were held in Roma in July 2013 and in Chinchilla in March 2014. Our northern community leaders councils were held in Emerald in August of last year and in Moranbah in February 2014. These meetings, Mr Chairman, bring together the gas company CEOs, landowners and community representatives from all over Queensland for open and frank conversations about co-existence and, importantly, around sharing information around co-existence. Furthermore, the commission has been involved in another 50 rural and regional engagement activities and these can include anything, such as community consultative committees, local government forums, onshore gas company meetings and regional economic development group meetings. This consultation is above and beyond our regular and ongoing landowner liaison often in person at the farm gate and other regional activities, including inspections of rehabilitation of affected landscapes.

To facilitate the early engagement in the emerging areas in Queensland, the commission is currently embarking on a new area in the Cooper Basin and in the far north-west where we are bringing together local governments, communities and landowner representatives to discuss the shale and tight gas exploration in those areas. We are currently planning a large activity next month, currently scheduled for Windorah on 21 August. Thank you, Mr Chair.

CHAIR: Thank you very much. Member for Keppel?

Mr YOUNG: Deputy Premier, page 15 of the SDS. What work has the GasFields Commission undertaken with the science and research community?

Mr SEENEY: Thank you, member for Keppel. Ben, did you want to answer that one as well?

Mr Deverson: Yes, Deputy Premier, I can take care of that.

Mr SEENEY: Okay.

Mr Deverson: Thank you to the member for his question, Mr Chair. One of the six key focus areas of the commission is the science and research portfolio. This important portfolio is led by Commissioner Professor Steven Raine. Professor Raine is a well respected soil and irrigation scientist in his own right with extensive experience across the agriculture and resource sectors. Professor Raine also heads up the Institute of Agriculture and the Environment at the University of Southern Queensland in Toowoomba. Professor Raine plays a key role in liaising with the scientific community, industry and government across a range of areas. Some examples over the last 12 months have included providing advice on CSG water beneficial use. Professor Raine, along with Commissioner Ian Hayllor, has provided input into the irrigation and general beneficial use standards for the Department of Environment and Heritage Protection. He has also facilitated the gas seeps forum. Professor Raine, together with the Office of the Queensland Chief Scientist, brought together more than 40 experts, including researchers, the coal seam gas industry and regulators and policy makers, for a forum in November 2013.

We also have been working to improve the coordination amongst Queensland government science and technology efforts. In June this year the commission wrote to the Queensland Chief Scientist seeking ways to improve the coordination and provision of Queensland government science and technology efforts in dealing with the issues arising from the onshore gas industry in Queensland. In general, the commission aims, as part of this portfolio, to ensure regulatory or policy responses to issues relating to the onshore gas industry are backed by rigorous scientific evidence and advice. Thank you, Mr Chair.

CHAIR: Thank you. Member for Keppel?

Mr YOUNG: Thank you, Chair. Deputy Premier, I understand that there has been some community concern into flaring of some gas wells. Has the GasFields Commission taken an interest in this activity and what has been the driver of community concerns?

Mr SEENEY: I will get Ben to answer that.

Mr Deverson: Thank you, Deputy Premier. I thank the member for the question. The recent issue of flaring of gas wells demonstrates there is still more to do in relation to the importance of communication in regional communities. I can confirm for the committee that the commission has received inquiries about the flaring of gas wells. As the coal seam gas industry and other gas infrastructure comes into production, in the Surat Basin in particular, the major proponents do need to ensure the community is well informed about these pre-production activities and testing processes. While the process of flaring is covering under the Petroleum and Gas (Production and Safety) Act, the commission's focus is more about promoting a proactive approach to the onshore gas industry to better inform the community about their operational activities.

There have been requests from neighbouring landowners or community people who have noticed the flaring against the night sky and were simply chasing information about this industry practice of flaring of gas wells. Informing the community is part of the ongoing social licence to operate for the CSG industry which is now very much part of the local community in these regional areas. Residents of regional communities who have inquired about this practice are focused more on seeking information on the practice of flaring as opposed to opposing it.

As I indicated earlier, the flaring of gas wells can create a significant spectacle, particularly at night, and without an understanding of what the spectacle is residents can draw quite alarming conclusions. A proactive community engagement approach by the industry proponents regarding these activities is required to ensure that these alarming conclusions are not drawn. This is the essence, in our view, of co-existence. The commission has been liaising with each of the major CSG proponents and the Department of Natural Resources and Mines to encourage an effective and coordinated community relations effort.

CHAIR: I have to ask: have any of those flarings been reported as UFOs?

Mr Deverson: No, Mr Chairman. There has been some concern that there are bushfires on the way, but we can quickly dispel that myth.

CHAIR: Wonderful. I call the member for Sandgate.

Ms MILLARD: How do you think the Queensland GasFields Commission is viewed in other states across the country, Deputy Premier? What do you think they have learnt from us putting this together?

Mr SEENEY: Thank you for the question, member for Sandgate. In a broader sense it is gratifying for all of us who have been involved in the CSG regulatory space to note the difference between the development of the industry in Queensland and the development of the industry in New South Wales. Currently the industry in Queensland is investing some \$60 billion across regional Queensland and is a significant part of that four per cent growth figure that the Treasurer talked about in his budget and is also contributing enormously to a range of regional communities. You could compare that to what is happening in New South Wales which is absolutely nothing because the community interaction issues down there have not been dealt with in the same way as they have here. The GasFields Commission has been a very significant part of that.

The number of requests that we get from members of parliament from both New South Wales and Victoria to talk with me, my colleagues and local members about how the regulation of the gas industry in Queensland has been such a success in comparison to New South Wales is increasing. I have had a number of such meetings and have a number of such meetings booked in my diary. The GasFields Commission, I know from my discussions with GasFields Commissioner John Cotter, has been involved in providing advice and information to people from interstate. Did you have any information that you might be able to provide the committee in respect of that, Ben?

Mr Deverson: Yes, Deputy Premier. Over the last 12 months Commissioner Cotter has been involved in a number of forums where he has addressed jurisdictions from other states, particularly relating to the GasFields Commission and our approach in Queensland. As John Cotter will stipulate, there is certainly no silver bullet for co-existence but there are certainly common threads in Queensland. Our experience does resonate, and I believe Queensland is seen as the model for co-existence in Australia. While I said there is no silver bullet, our experience shows that there is a clear need for policy direction that resources and agriculture can co-exist. There needs to be strong strategies to protect groundwater. We need to ensure fair compensation for landowners including the development of land access codes that we have in Queensland and the importance of building long-term sustainable regional communities taking into account the improvements for local infrastructure such as roads and telecommunications, linking into programs such as Royalties for the Regions and the providing of local content opportunities for local businesses who are affected by the onshore gas industry.

If I could draw on the point that the Deputy Premier made, I think the key difference between Queensland and the other jurisdictions is that in Queensland we have moved to how co-existence occurs between resources and agriculture. Other jurisdictions in Australia are still competing with the 'if' question—if resources and agriculture can co-exist—and that is a key difference between Queensland and the other states.

CHAIR: Can I pick up on the answer and the Deputy Premier might be able to tease this out for us a bit? I remember when as a committee we were looking into the bill to establish the commission and the different GasFields commissioners. Can you talk to us about the separate roles that the individual commissioners play and how they build that co-existence between the agriculture and the resource sector?

Mr SEENEY: Thank you, Mr Chairman. That was one of the key criteria when we called for expressions of interest for people to serve as GasFields commissioners. We had quite a large interest in those positions and when we set out to determine who would be appointed to the GasFields Commission it was imperative that we recognised the range of skills that would be needed. I think the people who have served on that GasFields Commission have demonstrated an extensive range of skills. Ben, you can probably move through each commissioner and their portfolio responsibilities for the benefit of the committee.

Mr Deverson: Thanks, Deputy Premier. As you know, the commissioner is led by Commissioner John Cotter, who is responsible for the commission's directions and outcomes. He works with his fellow commissioners to manage and improve sustainable co-existence among rural landowners, regional communities and the onshore gas industry in Queensland. Mr Cotter is a beef producer and an industry leader with more than 30 years experience in rural advocacy. He is a former AgForce president and has successfully negotiated the rights of rural property owners in challenging times. Mr Cotter has a track record of bringing gas company senior executives, landholders, government and advocacy groups to the same table leading to open and frank conversations about co-existence. To undertake its role of managing co-existence, as you mentioned, Mr Chair, the commission has established six key portfolio areas. They are land access, water and salt management, science and research, gas industry development, business and communities, and local government and infrastructure. Each of these six portfolios is led by an individual GasFields Commissioner.

The salt and water management is led by Commissioner Ian Hayllor. This portfolio aims to ensure access to and quality of groundwater is not compromised, and produced water and salt are utilised for the benefit of regional communities. Dalby farmer and irrigator, Mr Hayllor has grown cotton and grain crops on the Darling Downs since the early 1980s. He has built a reputation as a leader in engaging with the coal seam gas industry.

Commissioner Steven Raine, as I mentioned earlier, leads our portfolio for science and research. The portfolio identifies knowledge gaps and helps to direct future scientific research such as flood plain management, groundwater and salt management. Professor Raine is a leading academic and soil scientist. He is the Executive Director of the Institute for Agriculture and the Environment at the University of Southern Queensland in Toowoomba, as I mentioned earlier.

Gas industry development is led by Commissioner Rick Wilkinson. This portfolio seeks to ensure transparency and comprehensive standards and codes across the onshore gas industry in Queensland. Mr Wilkinson has worked in the petroleum industry for 34 years and is the chief technical officer for the Australian Petroleum Production and Exploration Association.

Commissioner Shane Charles leads the portfolio of business and community. The portfolio aims to ensure long-term sustainability of regional communities and maximise opportunities for local businesses. Mr Charles is a qualified lawyer and business manager and currently leads the regional development group for Toowoomba and Surat Basin Enterprise.

Local government and infrastructure is led by Commissioner Ray Brown. The portfolio aims to assist local governments to better understand and manage potential impacts on community services and plan infrastructure development. Mr Brown has been an agriculture producer for 35 years and is currently the mayor of Western Downs Regional Council in the heart of the Surat Basin.

Commissioner Don Stiller, whom I am sure many of you know, leads our land access portfolio. The portfolio focuses on levelling the playing field in land access negotiations and compensation negotiations and ensures professional conduct is carried out on private property. Mr Stiller is a beef producer and feedlot owner and has served in the local government for a total of 23 years, 11 as Taroom Shire Council mayor. Mr Stiller has extensive experience negotiating with resource companies on his properties.

When it comes to land access negotiations, I believe the commission has gone a long way to achieve its objectives of levelling the playing field between landowners and the onshore gas proponents. We released a guide for landowners with seven basic tips on how to negotiate with onshore gas companies. In this guide, Commissioner Don Stiller shares his insights from his many years of practical experience negotiating with resource companies on his property. The guide also incorporates feedback from our engagement with landholders. We have also continued to provide support for AgForce CSG land access negotiation forums, with help building landowners' understanding of the negotiation process.

The commission also supports the AgForce water field days. At these sessions landowners gain valuable information on topics relating to groundwater and make-good agreements. They also have the opportunity to have their questions answered by groundwater experts, government regulators and the gas companies themselves. We recognise the importance of protecting groundwater not only for landholders but also for regional communities.

To ensure its protection we need to understand better the findings of scientific research into the onshore gas industry's impacts on groundwater. We also need to communicate better findings of this research as well as research into other topics relating to the other impacts of the industry. The commission has been working very hard with government agencies and research organisations to build a more coordinated approach to research and communicate more widely with the types of research that is currently being undertaken. For example, in November last year, as I mentioned earlier, the commission brought together the chief scientist to hold an industry forum relating to gas seeps. This included researchers, scientists, gas industry representatives and government regulators.

In the same way we have been working towards greater transparency on these research findings, we have been driving industry transparency full stop, making more information about the industry publicly available and more easily accessible to the community. Last year we worked with the Department of Natural Resources and Mines to provide an online spatial information tool—the CSG globe as part of the Queensland globe. This Google Earth application provides landholders and communities with free and easy to access information about well sites and water bores right across Queensland right down to individual properties. This is all part of the process of building greater community understanding and trust.

Our constant message is that open communication and engagement are the keys to improving co-existence and are essential to building sustainable communities. The commission helps to bring together all the players around the one table. Our regional community leaders councils bring together landholders, state and local governments, community and business representatives and gas company CEOs. As I mentioned earlier, in 2013-14 we had four meetings across Queensland. We also helped initiate a series of sustainable futures workshops where local government, state government and companies are working together to share information on infrastructure projects in the Surat Basin. The role of local governments in building sustainable communities is critical.

In the new and emerging onshore gas regions, the commission is engaging with local governments to assist them in proactively planning for the potential impacts on roads and other community infrastructure. Our brand of engagement takes a variety of forms. I may have stressed the way we bring together all of these parties, and we certainly adopt a very formal, collective approach to ensure it is right for the specific situation we are in, but a personal approach is equally important, particularly understanding individual landowners and the issues that are currently facing them as individuals right now. Personally, I travel a lot around the state. We have checked on pipeline easements. We have checked on rehabilitation during meetings with landholders. In covering the miles together with other commissioners, we have also noted the roads that are holding up and those that are not. These direct experiences with our own eyes on the landscape and seeing the scale of the industry and the properties affected has helped the commission look at co-existence from multiple viewpoints including the landholder and the community's perspectives. In its first 12 months as a statutory body, I believe the commission has undertaken a significant journey in building a great understanding of the issues impacting Queenslanders.

Mr KATTER: I direct my question to Mr Deverson. I was contacted by the Perkins family in the Chinchilla area. They had reported that they had limited rights of appeal but were affected by the plant being in close proximity to them. My first question is: has the commission had dealings with the Perkins family?

Mr SEENEY: I do not think it is appropriate to deal with individual constituents, if you like. If the member for Mount Isa wants to raise that with me either by letter or email, I will provide the information.

CHAIR: I will rule that question out of order, but I would encourage the member for Mount Isa to take up the Deputy Premier's offer if you wish to reword it in perhaps a non-specific way.

Mr KATTER: I will try another question.

Mr SEENEY: Given this hearing is being broadcast, it is very public.

Mr KATTER: I accept that. Have there been ongoing issues of landholders who would dispute that they have been affected in some way but do not fit the criteria for compensation?

Mr Deverson: In answer to the member's question, I think it is important to point out that the commission is not a regulatory body. As an independent statutory body, if we do feel as though there is a regulatory requirement to step into a particular issue, we will refer it to the appropriate regulatory body, including the Coal Seam Gas Compliance Unit, which is part of DNRM. I cannot comment on specific issues. I can tell you from a statistics perspective that the commission has dealt with 111 landowner inquiries throughout the year. Approximately 43 of those specifically related to land access. That could be anything from compensation to conduct by the companies on that land. Not all of those would have been referred to the Coal Seam Gas Compliance Unit. Some of them certainly would have been. As I said, I cannot comment on specific issues.

CHAIR: To pick up on that, acknowledging that it impacts people, generally, if people have concerns about the way they are interacting with coal seam gas companies should they come to you as a first port of call?

Mr Deverson: The commission does have an inquiries line. We do have what we refer to as a landowner advocacy approach. We will take on individual landowners' inquiries. We will raise them with particular coal seam gas company proponents and we have had success in those areas in the past. Again, it is more about our approach to engage. It is about bringing those parties to the table and encouraging them to have an open and frank conversation about what their issues are.

CHAIR: If a member of parliament was aware of something, can they make the contact with the GasFields Commission or should it come direct from the landowner?

Mr Deverson: We would certainly recommend that the landowner would contact us directly so we can go and see them and get an understanding of what their issues are. We are certainly happy to accept any inquiry from any member of parliament. That would not be a problem at all.

CHAIR: During our inquiry the issue of co-existence between the agriculture and resource sector was raised. If I am honest, there was a fair degree of scepticism as to whether that could be achieved. Deputy Premier, do you feel that both the agriculture and resource sectors have embraced this new approach to co-existence? Do you think there are any potential impediments to growing the partnership between those two sectors?

Mr SEENEY: I think the best place to start in terms of a response is a point that Ben made in an earlier response. When we came to government—two years and five months ago now—we made it very clear to all of the stakeholders who had been engaged in conflict for quite some time that it was a case of how were they going to co-exist; it was not a case of if. We made it very clear as a government that our position was that the two industries needed to co-exist for the benefit of all Queenslanders and for the benefit of the Queensland economy for all of the reasons that we have talked about. We made it very clear that it was about how they were going to co-exist. Over that two years and five months we have worked to develop a number of initiatives that defines not only how that co-existence is going to take place, but also the role that government will have in it and the role that independent third parties such as the GasFields Commission will have in establishing and maintaining that co-existence. I think the results over those two years and five months speak for themselves. I think the conflict that we regrettably saw and that dominated the news coverage, especially in some of the major rural media outlets, we do not see anymore.

There is still an ongoing job to do. To go directly to one element of your question, the biggest threat I think is complacency. The biggest threat is allowing only recently established standards to slip. The gas industry has certainly had to lift its game and improve standards in respect of the way they interacted with communities and with landholders. They have done that to their credit. We certainly do not want a situation to develop where complacency leads to some sort of reversion to the types of behaviours that we regrettably saw early in the development of the CSG industry, and I do not think that will happen. I do not think it will happen because landholders themselves have developed a much greater capacity to deal with those land access issues. Communities across Central and South-West Queensland have developed a much greater capacity to deal with all of the community issues that have been brought to light by the rapid development of the coal seam gas

industry. Most importantly, I think government has developed the capacity as well. We have brought to this issue an understanding of the issues that are involved because our government is made up of members who represent those areas, who know the issues very well and all of whom have been involved in putting together the whole-of-government response.

It is very gratifying that co-existence is certainly growing and developing. I do not think by any means that we have completely addressed the issue. As the gas fields move to full production with the completion of the LNG plants on Curtis Island, we will need to be very careful with the water issue, which has been a major issue for landholders—and quite rightly so—in terms of the effect that the extraction of water has both on other water supplies and on the use of the water that is produced by the coal seam gas industry. We have some great examples of beneficial use schemes being developed ready for the day that that larger amount of water becomes available. Certainly a number of my irrigators in the Dawson River irrigation system from above Theodore down to Baralaba are urgently waiting for that additional water that will become available. It will be very well used in that irrigation system. Equally in a number of other areas, irrigation infrastructure has been installed to make use of that water. But there are challenges in making sure that all of those things are done properly. Equally, the disposal of industry waste will come into sharp focus once that full-scale production starts.

So there is an ongoing role for the GasFields Commission—very much so—and there is an ongoing role for government as well. As I said when we set up the GasFields Commission, we will be very much reliant on the advice of the GasFields Commission in regard to what other regulatory changes may be required in the future, what regulation we may need to change to adapt to the circumstances that may evolve as the industry moves to full production. We need to be very alive to any community concern that may develop so that we address it before it becomes the sort of major problem that it was.

There is certainly ongoing work to be done in the implementation of the Regional Planning Interests Act, which has passed through the parliament and is being implemented by my department. I can advise the committee that we have received our first application for a regional planning interest approval and it is very close to being finalised. It has been something of a test for our systems to see how we assess those applications under that Regional Planning Interests Act. The GasFields Commission has a particular role in assessing those applications. One of the things that the members of the committee may well remember from the debate in the parliament was that the applications made under the act need to be referred to the GasFields Commission for advice to me as the minister. So it provides a very important role. It is not a decision-making role, but it is a role that recognises the independence of the GasFields Commission and recognises the body of expertise that they are building up. The implementation of that assessment process, too, is something that we need to be cautious of and aware of. It has the potential to certainly build on the co-existence that we have established when we get it right—and we will get it right. If we took our eye off the ball and did not get it right, it too would become something of a threat in the future.

Members of the committee can be assured that across government in all of the things we have done in my department and in the department of Ministers Cripps in the Department of Natural Resources and Mines and in the department of Minister Powell in the Department of Environment and Heritage Protection—all of those departments have been involved in what has been a whole-of-government response to the coal seam gas industry, which has enabled the development of that LNG industry, which is incredibly important now to the Queensland economy.

Mr MULHERIN: Deputy Premier, I refer to page 2 of the SDS and the strategic direction of the agency. It states that the economic development agenda is a key driver of government activity and that the role of the department is of encouraging investment and economic growth. It is also recognised on this page that the resource sector has shifted from a construction to a production phase. At page 35 of Budget Paper No. 2 it sets out that Queensland is facing a contraction in business investment of 20 per cent over the next year with the domestic spending or state final demand forecast to contract by 1¼ per cent. Without a contribution from the LNG exports commencing over the next year, the domestic economy would be verging on recession. Why has your government failed to come up with any plan when the Reserve Bank of Australia has been issuing warnings about this since July last year?

Mr SEENEY: Thank you for what is a long, convoluted and somewhat misleading question. There are some elements of the member's question which are demonstrably nonsense. There are other elements that go to some of the very important government strategies. As he quite rightly identifies, the investment in the LNG industry and the CSG industry is moving from construction to

production. So there will be a reduction in the size of the construction workforce that will be needed. That is one of the reasons why we are pursuing the Galilee Basin projects as vigorously as we can. I am sure you have heard me talk about the importance of the Galilee Basin projects for the next generation of resource sector jobs. The projects in the Galilee Basin, being such a large project in a greenfield area, mean that there is a huge infrastructure requirement before the basin can be brought into production. Our government has moved quickly to facilitate the construction of that infrastructure. We have spoken about a number of issues relating to that in this hearing today. We will certainly continue to do that.

As well as that, we have moved to remove many of the impediments that the government of which the member for Mackay was a member had placed on the existing projects in the Bowen Basin coalfields which were contributing to the fact that they were being made uncompetitive for existing projects and certainly uncompetitive in terms of investment targets for new investment in the coal industry. The resources cabinet committee was set up for that very purpose: to look at the layers of regulation that the former government of which the member for Mackay was a part had imposed upon that industry and there have been some spectacular successes in terms of reducing the regulatory burden while maintaining the operational efficiency and the operational outcomes that we have been able to achieve by working with the industry.

Equally, another issue that has not been raised today but goes to the heart of ensuring that we can continue to have the coal industry provide those job opportunities has been the issue of dealing with the accumulated mine water in Central Queensland mines. It is another one of those issues that can be added to the long list of issues that we have talked about today which the previous government completely failed to address. They were issues that they were administratively incapable of addressing. We took that issue and found a solution to it, and that solution has been embraced by all of the stakeholders. By working together with stakeholders in a consultative way rather than feeding off the confrontation like the previous governments did, we have found a solution to that issue which has allowed those mining operations to increase their production and continue to provide the jobs that are so important as the construction phase of the LNG plants winds down.

The Galilee Basin is the major project that our government has been pursuing. We have certainly been working with the resources sector generally to provide ongoing jobs. Equally, the construction workforce that is involved in the CSG industry and LNG plants at the moment will be needed to construct the range of infrastructure that we are looking forward to building. As the Minister for Infrastructure, I am somewhat excited by the \$8.6 billion that the Treasurer will make available. When the member for Mackay says that our government has not got any plans, he should launch his support behind that plan to make sure that we do have the \$8.6 billion to invest in infrastructure. Anyone with construction skills in Queensland will certainly have an opportunity to be involved in that construction task. Even quite apart from that, I direct the member for Mackay to a range of other construction—

CHAIR: Deputy Premier, I am conscious of the time.

Mr SEENEY: I just mention, too—

Mr MULHERIN: So the Galilee Basin—

CHAIR: Member for Mackay—

Mr SEENEY: I mention the work that has been happening on the Bruce Highway that we spoke about earlier that our government has ensured would happen. It would not have happened had the member for Mackay still been in government. I mention the work on the Warrego Highway, a whole range of—

CHAIR: We were being so friendly up until then.

Mr MULHERIN: It is all dependent on assets sales—

CHAIR: Member for Mackay. The committee will now take a break. The hearing will resume at 4 pm.

Proceedings suspended from 3.33 pm to 4.00 pm



CHAIR: Welcome back. The committee will continue its examination of the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning. This is the last session for today and the committee will focus its questions across a whole range of portfolios within the Department of State Development, Infrastructure and Planning. I call the member for Mackay.

Mr MULHERIN: Thank you, Mr Chair. Deputy Premier, just before the afternoon break I asked you a question about the retraction in business investment for 2014-15, which is negative 20; for 2015-16 it is negative seven; and then we return to positive growth in 2016-17 of 3.5 per cent. Is that business investment predicated on the Galilee Basin getting up and also the mandate for asset sales?

Mr SEENEY: Mr Chairman, no.

Mr MULHERIN: What is going to turn it around, Deputy Premier? Business investment is negative 20 for 2014-15. These are your own budget papers.

CHAIR: For the benefit of the Deputy Premier, can you refer to the budget paper?

Mr MULHERIN: It is budget paper No. 2.

CHAIR: And page number?

Mr MULHERIN: Page 35.

Mr SEENEY: You are talking about a figure in the out years?

Mr MULHERIN: I am talking about currently. My previous question to you was about the contraction in business investment of over 20 per cent for this current financial year. I asked you what you are doing to turn that around. If you look at your own budget papers, we will be in negative territory again in 2015-16 and we do not return to positive business investment until 2016-17. What strategies do you have in place? You went on about the Galilee Basin.

Mr SEENEY: Mr Chairman, the answer is that these figures are determined in consultation with Treasury. As the member would know, when projecting that far forward there are a whole lot of issues involved. We can talk about the growth that we have already seen in the state economy since our government has come to power and the policies that we have put in place. We can talk about the Governing for Growth strategy that we have discussed at some length today and the whole suite of policies that our government has to get the state economy back on track. All of those things—

Mr MULHERIN: You are doing a great job on contraction with business investment at 20 per cent—

CHAIR: Member for Mackay.

Mr SEENEY: All of those things are taken into account by Treasury and our department when we put those projected figures together. As the member would know, many of them are dependent on things such as the coal price and the world market for resources.

Mr MULHERIN: This is business, minister.

Mr SEENEY: I think the only important point to make in response to the member's question is that with the Strong Choices options that the Treasurer has developed and will put to the people of Queensland as our plan for the future, none of those figures have been included in the budget documents at all.

CHAIR: Member for Mackay?

Mr MULHERIN: Once again, the Deputy Premier has failed to answer the question.

CHAIR: Member for Mackay, you can ask the questions, but we do not need a commentary.

Mr SEENEY: While the member is doing that, Mr Chairman, with the indulgence of the committee there is an issue that the member asked me about before on which I would like to provide some more information to the committee. It is in relation to the questions he asked earlier in the day about the MyDAS system.

CHAIR: I am happy for you to clarify.

Mr SEENEY: Just to ensure that my answer was full on MyDAS, whether or not the member knew what he was asking about. MyDAS is based on a tried and tested system. It is an off-the-shelf system that enables applicants to electronically launch and track the progress of their applications, while also supporting the department and other state agencies involved in the assessment process that is involved with SARA. Since 1 July 2013, the MyDAS system has undergone a series of enhancements aimed at ensuring it is delivering full functionality in the most user-friendly manner. Along the way, the sorts of bugs that characterise any new system have been identified and ironed out. These enhancements have been brought online during planned outages and have been timed to minimise disruption to SARA customers, typically between 10 pm and midnight on several occasions over the last 12 months. In November and December 2013, MyDAS experienced several unplanned

outages due to peaks in the load on the system. Each of those outages was responded to and fixed very quickly, minimising the disruption to SARA services. The causes of those outages have been diagnosed and extra system enhancements have been made to ensure the stability of the MyDAS system. I am not sure what was the genesis of the member's question about the MyDAS system.

Mr MULHERIN: Thanks for the clarification, Deputy Premier.

Mr SEENEY: My department has provided me with that advice in the interests of ensuring that all of the information was provided. Could I also just refer to another question that the member asked in regard to the AQUIS project and the effect on the cane industry. I said I did not think that there was sugarcane grown in that particular area. Apparently, there is a little bit of sugarcane grown there, on a portion of the area. It is not completely correct to say there is no sugarcane grown there. Once again, I wanted to make sure we are straight up and down. The impact is on the Mulgrave Mill at Gordonvale. It would be a 1.3 per cent loss of their production area—not necessarily their production, but their production area. I just wanted to make sure that we are exactly straight up and down with that as well.

CHAIR: We appreciate your clarification, Deputy Premier. I call the member for Mackay.

Mr MULHERIN: Deputy Premier, I refer to the service standards at pages 12 and 13 of the SDS and the Auditor-General's report No. 18 for 2013-14, which found in relation to expenditure in service delivery statements that—

The lack of a balanced suite of efficiencies and effectiveness standards for 72 per cent of the budget makes it difficult for the Parliament to hold departments fully to account.

Deputy Premier, what percentage of the expenditure in your department is covered by the service standards in your SDS? One would have thought the department would be across this one.

Mr SEENEY: Mr Chairman, I think even the member for Mackay does not understand that question. We can take it on notice.

CHAIR: Are you happy to take it on notice?

Mr SEENEY: We can try to decipher it and provide the member with an answer.

CHAIR: We will have that question taken on notice, thank you. Member for Mackay?

Mr MULHERIN: Deputy Premier, I refer to page 8 of the SDS which lists the department's role in generating economic development and revenue from disinvestment of surplus assets. In September last year, you said that the government had a long list of government services intended for privatisation and that everything was on the table. You also said, 'We have identified a number of state assets we believe would be better operated by the private sector and will be moving to offer those to the private sector'. I table the media release for the information of members.

Deputy Premier, do we know the full extent of the assets and services you are planning to privatise or are more assets and services still on the table?

CHAIR: Only because you are extending beyond what we are looking at within this bill, I would ask you to reword that question so that it is relevant to the budget examinations that we are looking at today.

Mr MULHERIN: Deputy Premier, what is the full extent of services that you are planning to outsource in your department?

Mr SEENEY: Mr Chairman, that is a very different question from the first one. I am not sure what the document was that the member tabled. I say to him that our government has engaged in a comprehensive consultation process with the people of Queensland where we have made it very clear that we will be putting forward a proposition for asset sales or lease of assets before the next election. We have made it repeatedly clear we will not be progressing with that until we have a mandate from the people of Queensland.

I might add that that is a media report that the member for Mackay is quoting from. Like so many of those things, you need to be very careful about what is being said and what is being attributed.

Can I just say that our department is very much involved in focusing on the possibilities of being able to invest \$8.6 billion in infrastructure in Queensland. That is our role in the process. We have certainly supported Treasury in the identification of that. I am not sure whether the member is referring to the GLAM process, because he has not asked any questions about that today. I am happy to talk about the Government Land and Asset Management process, on which I have spoken in the

parliament a number of times. It is about identifying government land assets and determining whether or not they were being used for the benefit of the communities in which they are located. We have done a range of work in relation to not-for-profit organisations, which we refer to as the GLASS program. Everything in government has an acronym. That program is proposing to make land available for not-for-profit organisations. In the GLAM team we are working with government departments to make sure we achieve the maximum return from government land assets. That process has been well and truly reported to the parliament in the ministerial statements that I have made.

CHAIR: Member for Mackay?

Mr MULHERIN: I refer to page 18 of the SDS, which details nil expenses for outsourced service delivery for the department and page 8 which states that the department will be implementing strategies to encourage contestability. Considering the government's focus on contestability, can the Deputy Premier advise why his department is targeting nil outsourcing delivery in 2014-15?

Mr SEENEY: Mr Chairman, I think it has been well discussed by the Treasurer especially and a range of government ministers that our government is focusing on a different approach to government. We want to be a government that facilitates rather than does tasks. That is happening across a whole range of departments. Some of the departments are more involved in that process than others. When I look at the range of activities that our department undertakes, I am not sure I can think of—maybe the director-general is able to make a comment—but certainly 'outsourcing' is the term that is used for engaging private sector expertise. A whole range of departments from Public Works to Education and Health are certainly pursuing, in line with the government's often repeated policy, that role. In our department we typically access private sector expertise probably on a contractual basis with valuations and legal advice and services such as that. I might see if the director-general can provide some information that the member might find useful.

Mr Edwards: In terms of contestability, we do look at contestability in terms of looking at how effective a service we provide as a department, but we do not have any plans to outsource any functions or services of the department at this stage. But there would be some new areas that we have such as the SARA system that we may look at in the future to see if there is some sort of role for the private sector to play in that, as they do, for example, in the Brisbane City Council area where you have private certifiers delivering a process or a service. But we have no plans to outsource any services at this stage.

CHAIR: Thank you. Member for Mackay.

Mr MULHERIN: Deputy Premier, earlier I asked some questions about the Aquis development and I intend to direct these questions through you to the Coordinator-General, if that is okay by you.

Coordinator-General, in the Aquis EIS it states that the probable maximum flood is 7.5 metres above sea level, which is also the designed flood level of the resort complex. The EIS further details that a significant constraint on the site will be flooding. The EIS claims that the developed site will convey floodwaters in the same amount as the existing site so there is no worsening of flood flows on properties upstream, downstream or neighbouring sites. Is the government undertaking any independent hydrological studies to validate these claims?

Mr Broe: Thank you for the question. At this stage of the EIS I do not believe it is necessary to conduct additional independent hydrological studies. Flooding is obviously a big issue that the Aquis project has to address. I have been happy so far with the approach the proponent has taken. When I visited the site before the declaration of the project, they told me straightaway they were going to work with council. They are using the council's flood model. They are using the same expert consultants as the council are using. Council so far are confident in the work that they have done in terms of the modelling, but it is still early days in the process. They are taking a conservative approach to assumptions. Because it is so close to the ocean, it is the tailwater from the ocean that drives the downstream flood levels. So they have assumed a tailwater higher than king tide, so again there is a good sign they are taking it seriously. They are being conservative; they are doing the work.

I always have the option of conducting independent studies or getting it peer reviewed further down the track like I did with the Carmichael project on the groundwater impacts, but at this stage there is a draft EIS out. We are working with council. We will take council's advice and input very seriously, and they are doing the necessary work. But obviously, as you said, they have to address the flood impacts. They have designed a lake, as you may be aware, in the middle and a river. That helps flood conveyancing, so again that is another mitigation measure they are putting into place. But I have not started my full assessment yet. It is out for consultation and we will take all the advice and input we can get.

Mr MULHERIN: So you will be closely monitoring that aspect of the project along with other things. It has been reported in the media that Aquis engaged KPMG to conduct an economic cost benefit analysis on the project for the region and the state. While economic modelling is included in the EIS from Aquis, there was no mention of the KPMG modelling. Did the government ever receive this modelling and if so, will it be released?

Mr Broe: Before the project was declared a coordinated project, the proponent submitted an initial advice statement seeking a declaration. With that they had to conduct a pre-feasibility study and a KPMG report—I presume the one you are talking about—on the economic benefits of the project was included in that initial advice statement. That was provided to me in commercial-in-confidence. Since then they have used Deloitts, but my understanding is the reason is that KPMG are working for the department, I believe, as part of the tendering process, so they were either conflicted or they chose a different company. So they are using Deloitts. Deloitts have done the work for them on the economic benefits that are included in the draft EIS out for consultation. Again from what we have seen so far they have done adequate work on the economic benefits, but they will have to complete it to my satisfaction before it is finalised and the benefits will have to be weighed up with all the impacts and issues.

Mr MULHERIN: My question then is directed to the Coordinator-General: will you release the modelling that KPMG have done for the department on this?

Mr Broe: As I said, it was provided to my team as commercial-in-confidence as part of the initial advice statement. We would not normally put that on the website and make it available unless the proponent actually agreed to make it available.

Mr SEENEY: Clearly, Mr Chairman, that would be commercial-in-confidence and without the proponent's approval, we would not release it.

CHAIR: I welcome the member for Gaven to the committee and I give him the call.

Dr DOUGLAS: Thank you, Minister. My first question is regarding the allocation of funds for the demolition of the Gold Coast Hospital site. It is on page 42 of the SDS. The contractor appointed has a restricted height crane 30 metres below the height of the existing building, so they are not able to provide a crane to that height. The tender came in above the other four major tenderers, and there were restrictions placed on the tenderers with regards to the size of the contract. Can the Minister explain why this contractor was appointed to this significant project and give further details to the estimates hearing today?

Mr SEENEY: Mr Chairman, we did have a long discussion about the demolition of the Gold Coast Hospital earlier on. This probably goes to the tender process, so it is probably more the responsibility for Stuart Pickering. For the benefit of the member for Gaven, who was not here, I might ask my assistant minister Rob Molhoek to give a summary of the information that he provided before. Do you want that or do you have those numbers there? After that I will get Stuart to talk about—

Mr MOLHOEK: It is probably best to get a technical overview, but what I can say is that the company that was appointed, Rosenlund, have actually got a demonstrated track record in this respect. They recently undertook the demolition of the old L Block at QUT here just adjacent to Parliament House. They conducted and carried out that work very competently with minimum disruption. It was quite a spectacle to observe over the many months that that building was coming down, and they did a great job of that. They are also the same contractor that was engaged for the demolition of the Iluka, which was a much taller structure than the old Gold Coast Hospital. The old Iluka building was one of the early high-rise buildings on the Gold Coast, and that work was completed by them. They are a South-East Queensland company which has their headquarters just north of Brisbane. As I understand it, they are one of the most competent in their field in this respect.

But the other thing that I would like to just point out, I suppose, is just to revisit some of the commentary earlier for the benefit of the member for Gaven. The project is underway. Rosenlund actually took control of the site last week: Friday was the official handover. Our priority as the government obviously is to safely and efficiently demolish the existing buildings on the site so that the site can be released to the market for redevelopment. The site is, as we all know, located within the Southport Priority Development Area and it is redevelopable and alive in the Southport business district. The government will consider either the sale of large individual lots or a single sale of the 3.5 hectare site. The Major Projects Office within the Department of State Development, Infrastructure and Planning is responsible for managing the demolition of works and if Stuart is ready, I might just hand over to him to cover some of those more technical details.

Mr SEENEY: I will ask Stuart to deal with the tendering issues that were raised, and perhaps he can provide the committee with some information about that.

Mr Pickering: Thank you, Deputy Premier and Assistant Minister. I obviously cannot go into the detail behind the tender evaluation process, but what I can tell the committee is that that particular project went to open tender. So it went to the market and from the market we shortlisted a number of proponents. I think there were about six in all that were shortlisted as part of that project. I myself was not part of the evaluation panel, but clearly I had briefings on the outcome of the tender process as it unfolded.

The evaluation criteria cover a whole range of issues; it is not just about cost. In fact, Rosenlund was not the lowest tenderer in terms of the evaluation. There were a number of factors that came into play. As part of that process we have to evaluate their work method statements and the way that they go about demolishing that project. In any demolition project there are a number of ways that you can actually undertake that demolition, and I was aware that there were one or two proponents who were proposing equipment that allowed them to do the demolition in a slightly different manner than the other parties. But the reality for the government is that we do not have to be concerned about the method of practice, providing that it is safe and it is standard to the industry. That was the only consideration that the evaluation team had to take consideration of, and we actually received advice, as we do across financial and technical, from consultants when we do the evaluation.

All six submissions were capable. Their method of demolition did vary a little bit in terms of the equipment and the way that they proposed to do the demolition, but all methods were safe. They were different; some were cheaper. But the evaluation criteria considers all items in the evaluation, not just one item being the price, or one item being the method of demolition, or even their capability. It is the sum of all the items that determines the outcome of the successful tenderer.

CHAIR: I call the member for Gaven.

Dr DOUGLAS: Thank you. Minister, regarding the progress of the Inland Rail Project detailed on page 4 of the SDS, can the minister detail what costs have been outlaid on the Inland Rail Project on the Queensland side to date? It has been reported that the rail has been diverted to Wellcamp rather than the existing corridor to the existing heavy rail linkage at Beaudesert with a significant cost saving to that site—in other words, a far cheaper option. How much is the extra cost to go to Wellcamp? Has there been a costing done internally within the department on it? What is being currently proposed?

Mr SEENEY: Thank you, Mr Chairman. I understand that this project is primarily being driven by the Commonwealth government, but Steve Kanowski is the officer in my department who is engaging in the issue. Steve, I am not sure whether you can provide the numbers that the member has asked for, but could you begin by just giving us an overview of the Inland Rail Project and the latest information in regard to it?

Mr Kanowski: Thank you, Mr Chairman and committee. Yes, as the Deputy Premier said, the Inland Rail Project is indeed a federal project in which three states, Queensland, New South Wales and Victoria, are contributing in the sense that they have formed an implementation group, of which I am the Queensland state representative. That group has been tasked by the Deputy Prime Minister Warren Truss to deliver a schedule of works at the end of the year for a 10-year construction program to deliver a freight railway from the Port of Brisbane to the Port of Melbourne. That is about a 1,700 kilometre railway built to an international standard in terms of the track configuration and so forth.

Thus far to date there has been some expenditure in Queensland. The Inland Rail Implementation Group has identified three priority corridors of part of that 1,700 kilometres route. They are: within Queensland, from Rosewood on the western line to Kagaru on the interstate corridor; in New South Wales, North Star to Narrabri and Narromine to Parks. The Queensland corridor is also known as the southern freight rail corridor. That has been gazetted back in late 2010. As part of that process the state has indeed acquired some properties under hardship to a cost of around \$49 million to date. I do have some figures here that I can quote. That is 51 of 123 affected lots on that corridor. There was also another corridor where there have been some hardship acquisitions. That is on the Toowoomba range crossing area up around the Murphys Creek and Highfields area and to the west of Toowoomba. There has been about \$2.9 million spent acquiring land under hardship.

In terms of the project itself, as I mentioned the intent is to have a scope of works delivered to the Deputy Prime Minister by the end of this year. That piece of work is being led by the Australian Rail Track Corporation, which is a wholly owned federal agency. They also currently predominantly

operate infrastructure in Western Australia, South Australia, Victoria and New South Wales and have a small section of track from the border to Acacia Ridge in Queensland. The intent for the inland trunk railway or the inland railway would be that it would by and large fit within the corridor developed out of the 2010 study commissioned by the federal government. That identified a route, as I said, from Acacia Ridge down to Melbourne. That route would form the general alignment that this study will take.

There will be some investigations on variations to that route. For example, in the 2011 floods in Toowoomba and the Lockyer Valley, that has to be reassessed in terms of what that might mean for any corridor. The Toowoomba second range crossing alignment needs to be investigated to see how that may have implications for any rail corridor to the north and west of Toowoomba.

The intent is also to use as much of the existing track as possible. So, for example, coming up from the New South Wales border, the intent would be at this point in time to come up across from North Star in New South Wales, hit the southern line at around Yelarbon, come up through some greenfield to the Millmerran branch, up the Millmerran branch and then up into around Oakey and then to the north of Toowoomba down to around Helidon and then on the existing western line branch off at Rosewood, greenfield to Kagaru, up on the interstate line to Acacia Ridge and then out to the port of Brisbane.

The implementation group has been tasked with looking at a 24/7 freight operation to the port of Brisbane, and there are a number of proponents out there looking at potential railway corridors between Brisbane and Melbourne. There is the ARTC study, as I mentioned, from 2010. There was some work done by the state government in the early 2000s looking at a Gowrie to Grandchester alignment across the Toowoomba range. There has been a proponent by the name of NTR that have also looked at a Brisbane to Melbourne corridor which uses some similar alignments to the ARTC one, but there are some variations. There has also been some work done by the Port of Brisbane Corporation which looks at accessing Surat Basin coalfields and also the agricultural hinterland there to come out into the port of Brisbane. The Port of Brisbane have signed an MOU with the ARTC to share information and share data, so that is happening. This department has established an interdepartmental working group to work across government agencies and departments to share information around corridors and so forth.

Dr DOUGLAS: Thank you. I appreciate all of that extra information, but my question was specific in part. I asked about the cost benefit for the extra corridor to the north going through Oakey down into Murphys Creek as opposed to the standard gauge connection at Beaudesert. What is the extra cost of that corridor?

Mr Kanowski: Those costs are yet to be determined. What is happening is ARTC have commissioned some engineering consultants, Parsons Brinckerhoff and others, to investigate the cost of the alignments. The original work done around the Toowoomba range around the north of Toowoomba was done in 2003-04. There have been a number of issues since, including the 2011 floods, which have impacts on geotech and other conditions. ARTC have commissioned this work and we will have that answer later in the year.

Dr DOUGLAS: My third and final question—it was always going to come—is about the Galilee Basin and the landholders. We have asked questions on it before, but it is on page 4 of the SDS. It is about the provision for landholders, and you alluded that you were going to provide for landholders in the Galilee Basin under the state development plan. Can you expand on what provisions the department has made, because you said that they would be very fair and reasonable, both in the corridor and in the mining area?

CHAIR: Deputy Premier, I appreciate that the member for Gaven has not been here for the day and we have examined this.

Mr SEENEY: Twice.

CHAIR: Extensively—I do appreciate that—but if you could answer his question in the context. You may be repeating some of it.

Dr DOUGLAS: I apologise.

Mr SEENEY: Twice, and I would suggest the member can read the *Hansard* at his leisure. However, the question that the member asked is slightly different to what has been asked previously and does offer a chance to make some explanations with regard to land acquisition. The responsibility for land acquisition rests with the proponents. Very clearly it rests with the proponents. Our government has made it very clear that we expect the proponents to deal fairly in a market based

situation with the landholders. So those negotiations have been taking place and I know there have been various instruments signed in terms of options and things such as that. The only role that the government has in land acquisition is to exercise compulsory acquisition in the situation where negotiation has failed, and we have made it very clear that that will be the absolute last resort. That compulsory land acquisition power has always been there since the former government, quite rightly, declared these projects projects of state significance. In terms of how the process works, I can explain it but I know the Coordinator-General could explain it a lot better. It is a process where he acquires the land on behalf of the proponent after they have negotiated. So—

Dr DOUGLAS: Minister, I know you have had these questions earlier today. I am concerned that a lot of these people are drought affected and there are issues about the valuation of their property in the drought affected market. How will they be priced—I suppose that is what I really want to know—in response to valuing?

Mr SEENEY: The answer that I have just given you, member for Gaven, would indicate that it is up to them and their valuers to negotiate. The only time that we would get involved is in the very rare occasion when the market based negotiations do not produce an outcome. If you look at the Surat Basin example, I do not think there were any and that has been the case for a range of government land acquisition processes. Burnett Water acquired a lot of land in my electorate and it was all acquired by market negotiation and was market based. For the Xstrata example at Wandoan there were, I think, only three—it was very small—landholders out of 126 or something. I apologise for guessing at those numbers, but they are indicative. They are the sorts of numbers. So the only time that the valuation becomes an issue for government is in those very rare occasions.

Dr DOUGLAS: So these people will be able to use 10-year averages or 20-year averages or maybe an average which has not been affected by current market value? Is that what you are saying?

Mr SEENEY: No, can I say it again: it is a market situation for them to negotiate. They negotiate with the proponent. They can use whatever methodology they like to establish a value and the proponent can negotiate that value.

Dr DOUGLAS: I have one more question which goes to the same issue, and it refers to the SDS at page 4. Some \$22.2 billion is the value that has been estimated of the coal market out of the Galilee Basin. What is the department now projecting in a market where the coal price sales are depressed? Has there been a revaluation of those numbers?

Mr SEENEY: I think the member must be misreading the document.

Dr DOUGLAS: No, I have the document here.

Mr SEENEY: I am sure—I am positive—there are no numbers in this budget that are anticipating sale of coal out of the Galilee Basin.

Dr DOUGLAS: It is actually on page 4. That is where it was. It says 'attract investment of \$22.2 billion with more than 9,900 peak construction jobs and more than 5,700 operational jobs'. That is where I got the number from.

Mr SEENEY: That is an anticipated capital expenditure; it is not about coal sales.

Dr DOUGLAS: All right. Can you give me a whole project value? Has there been a revaluation since there has been a stall in this development? Is there some new projection figures that the department have done?

CHAIR: Deputy Premier, the way the member has structured the question at the moment it is a hypothetical. I would invite him to reword the question so it is relevant to the examination of the Appropriation Bill before this committee.

Dr DOUGLAS: Minister, I will put it this way: could I ask you to take the question on notice to give the committee an idea? I am actually seconded to this committee at this point in time, and I apologise that I was not here this morning. It is very difficult with all of the meetings at once, and I did point that out to you in parliament. Having said that, I would like to know the new projection of both the investment cost and the projection income cost and in what years under this proposal in this budget.

Mr SEENEY: None of those figures are in this budget, member for Gaven. That is the point that I have tried to make to you now twice. What it says in that dot point that you are quoting from—and please listen carefully—is that these will potentially attract investment of \$22.2 billion.

Dr DOUGLAS: I saw that.

Mr SEENEY: So it is a potential investment attraction of capital expenditure, and it goes on to say with 9,900 peak construction jobs and 5,700 operational jobs.

Dr DOUGLAS: Yes.

Mr SEENEY: So you are not asking about numbers that have been included in the budget in any way, shape or form that I am aware of. I am sure that is the case. We are talking about projects that my department is working on and the Coordinator-General is working on and those numbers are there to give an indication of the size of those projects.

Dr DOUGLAS: I appreciate that. That is a—

CHAIR: Member for Gaven, it is not an opportunity to debate the point. You have asked the question. The Deputy Premier has answered. I call the member for Burleigh.

Mr SEENEY: Mr Chairman, with your indulgence, the member for Mackay asked a very complicated question previously, but now that we have it in writing we have had an opportunity to look at it. Rather than taking it on notice, as I suggested we were prepared to do, my departmental officers are now in a position to provide an answer. So the question was about what percentage of expenditure in the department is covered by the service standards in the SDS. That was the final part of the question—I will not read the long, complex lead-in to the question—but I would ask Michael to respond now that we have been able to decipher the question.

CHAIR: Thank you.

Mr McKee: Thank you, Deputy Premier. Pages 12 and 13 of the Service Delivery Statements outline our service standards in the four service areas that our department has and the sum of the total cost of each of those four service areas matches the \$414½ million which is the total. \$414½ million is the department's total controlled operating expenses budget for the 2014-15 year and that is broken down across those four areas. We do that by allocating a proportion of all staff costs, projects, programs, supplies and services towards each of those four areas. However, that is, I guess, a separate exercise to the setting of service standards, which are very focused on effectiveness of outcomes. So, for example, the percentage of land transactions has been delivered, value of private sector investment, stakeholder satisfaction or number of referrals or appeals are all measures of effectiveness, but indeed the full cost of the department is in those bolded rows.

Mr MULHERIN: So you are saying that there are four service standards in your SDS covering the whole of the portfolio budget allocation? Is that correct?

Mr McKee: That is correct.

Mr MULHERIN: Amazing!

CHAIR: It is an amazing department. I now call the member for Burleigh.

Mr MULHERIN: How do you get—

CHAIR: The member for Burleigh has the call.

Mr MULHERIN:—four service standards across a \$400 million budget?

CHAIR: Member for Mackay. The member for Burleigh has the call.

Mr MULHERIN: No wonder the Auditor-General commented accordingly.

Mr HART: Thank you, Chair. Deputy Premier, I refer to page 4 of the SDS. What consultation and measures have been undertaken by your department to unlock tourism potential in South-East Queensland?

Mr SEENEY: Thank you, member for Burleigh. I am pleased to say that earlier this year as part of the government's land use planning reform agenda and its commitment to economic growth I endorsed key regulatory changes to unlock the tourism potential within our capital cities region. The amendments to the South East Queensland Regional Plan 2009 to 2031 state planning regulatory provisions were made to overcome the previous government's burdensome controls that removed the right of local government to consider on its merits any large scale tourism development proposal in a non-urban area. It was this type of unjustified regulatory barrier that sent a signal of disincentive to investors seeking to establish sensible business solutions which support our local communities and capitalise on the attractive opportunities that South-East Queensland has to offer. These changes were made in response to the requests of local governments within South-East Queensland and the tourism industry and were tested with the community through formal public notification prior to being finalised in March this year. The amendments were simple: to allow local government to assess and

determine the suitability of large scale tourism proposals, remove the state as a referral agency for their assessment, and make sure the regional landscape values in agricultural areas were protected from any inappropriate impacts of development.

This is part of what has been a comprehensive planning reform agenda, which has not been talked about much here today, regrettably. It is a great story. I might ask my assistant minister, the Assistant Minister for Planning Reform—James is still here as well—to make some broader comments on the planning reform agenda because this particular issue typifies it. It is this type of thinking, this type of common-sense approach that I have instructed my department to factor in as it undertakes the review of the current regional plan in South-East Queensland. It is that common-sense approach, the outcomes based approach which has driven the planning reform agenda which has been so well received by stakeholders across Queensland, but particularly here in the high growth areas of South-East Queensland.

The member for Southport, Rob Molhoek, is the Assistant Minister for Planning Reform. Because I think this whole issue of planning reform is so important and we have not been asked about it, I would ask the assistant minister, the member for Southport, to give the committee a brief snapshot.

Mr MOLHOEK: Thank you, Deputy Premier. I have only been in the role about 18 months. I came into the role in February last year. It has been quite a rocket ride in terms of the planning reform. The response from industry right across the state as I have gone from market to market and met with some of the councils and many of the developers across Queensland has been incredibly positive. It would be fair to say that right across Queensland the industry has heaved a huge sigh of relief at the reform program that this government has led in terms of getting development going again, encouraging councils and planning processes and actually reducing red and green tape to get the construction industry up and running.

We did touch on earlier, but I think it is worthy of some further discussion, the incredible role of the SARA team and the work that they have been able to achieve in the 12 months since SARA was established last year. For the 12 months to June 30 June this year, the SARA team has been able to process some 5½ thousand applications with significant state interest right across Queensland.

The response that we have had from industry has been such that we have even had contact from the Victorian and New South Wales governments asking what we are doing up here and can they send some of their people to come and meet with people like our outstanding Deputy Director-General Greg Chemello, who is not here today, James Coutts and others. The reform process and reform program has been outstanding.

The other testimony of course to the work of the SARA team is the two awards that were given to SARA late last year. At the Planning Institute of Australia's Queensland conference in November they were given the highest award for planning in Queensland. Earlier this year at their national conference the SARA team and the reform team took out the highest award and greatest honour for the planning industry in Australia.

I am sure we can all be very proud of what the team within the Department of State Development, Infrastructure and Planning is doing. The industry certainly has a great deal of confidence in them. I know this because about every six or eight weeks I host an industry stakeholder group breakfast with some 25 people representative of the construction and development industry and the planning industry across Queensland, including representatives from the Brisbane Housing Co. and Horizon Housing as well. Representatives from the UDIA and the Local Government Association of Queensland also join us for those regular forums. About every six to eight weeks we sit and talk and provide access to ministers from the government. We have had the Minister for Housing and we have had the Deputy Premier there. We have had Deputy Director-General Greg Chemello available for open and frank discussion with the industry. Kathy Schaefer, our regional director, has been at every one of those breakfasts that I have had the pleasure of hosting over the last year. The dialogue and the openness that has come through those breakfasts and forums and the feedback that we have from industry has been absolutely fantastic.

There were some questions earlier today—but I did not have the opportunity to respond at that stage—about the infrastructure charges reform program. Mr Deputy Premier, one of the things that I wanted to point out is that there are a number of councils in Queensland that are already offering fair value charges—in fact, better than fair value charges. They have done the calculations, have looked at the real infrastructure needs within their council areas, have looked at the real costs and they are using that opportunity to try to drive economic development.

I know that last year the Gold Coast council gave out some \$23 million in incentives to the development industry through discounts. The mayor of the Gold Coast claims that that has had a direct impact on generating about \$800 million of new development work in the city.

I was recently in Cairns and had the pleasure of meeting with the council up there. Their actual infrastructure charges are some 30 per cent below the current cap—significantly less than even the fair value charge that we have agreed on as a government. The response from the industry up there was very positive. The council was very enthusiastic about the opportunities that that is creating in Cairns.

I know that the Rockhampton council have also embraced the new policy and are already offering fair value charges within the Rockhampton region.

What a pleasure it was to meet with the Fraser Coast council just two months ago with Anne Maddern and Ted Sorensen and the mayor Gerard and hear of some of the successes that they are having by also offering a whole range of tiered infrastructure discounts and incentives to local industry. They are really getting things moving with that new hospital. There are a couple of very significant land subdivisions being opened up in the area. It is really great to see some of the growth and some of the opportunity that is coming.

This government is restoring confidence in the construction industry. Just last month I had the pleasure of speaking at a forum down in Sydney. The development industry were very keen to come and hear what is happening in Queensland. When we opened the floor up for questions at the end of the session there were many statements about the good things that they are hearing about in Queensland and the work that the Deputy Premier and Director-General Dave Edwards have led.

I often say my role is a bit of all care and no responsibility. I get to take some of the credit for your hard work, Deputy Premier. The program that has been led has breathed significant life back into the Queensland economy. The development industry is enthused; it is reinvigorated. Every day when I travel around the state I get to see firsthand the achievements of this government and the confidence that is coming back.

After three or four years down the Gold Coast after the GFC and my time in council when the city and indeed many developers across the state really struggled to recover, I know that many of them are absolutely delighted to see that this government is supporting the industry. We are being very practical in our approach to green-tape reduction. I know that they are all looking forward with great anticipation to the next generation of the South East Queensland Regional Plan. Our goal there is to identify what can only be described as genuine state interests rather the top down control approach that we saw under the previous government. I also know that work that we are doing on the new planning act, with great consultation with industry, will be very welcome. The industry is looking forward very much to seeing that occur.

CHAIR: I call the member for Mackay.

Mr MULHERIN: I refer to page 2 of the SDS and the role of the department in ensuring clear understanding across government that the economic development agenda is a key driver of government activity. Deputy Premier, the Department of State Development, Infrastructure and Planning compiled a report entitled North Stradbroke Island economic impacts of mineral sandmining. The independent think tank Economists at Large has questioned why this report merely accepted the input-output modelling of a report commissioned by the mining proponent Sibelco when the department's policy states that 'The primary method of economic evaluation of public sector policies and projects is a cost benefit analysis. Input-output methodology is not a preferred methodology for economic evaluation.' Why did the department not use its own preferred methodology instead of relying entirely on the economic modelling commissioned by Sibelco?

Mr SEENEY: Thank you for the opportunity to address this question. I think our government has made our position on sandmining on Stradbroke Island very clear. I am not going to try to go into the details of the report that the member is quoting from, suffice to say that we went to the people of Queensland with a very clear position and the members contesting those seats both had a very clear position. The government when in opposition had a very clear position. The government that the member for Mackay was a member of also had a very clear position and, in fact, tried to inflame this issue as an issue during the election campaign, somewhat unsuccessfully, as I recall.

It was very clear that this was an issue that had been considered by the people of Queensland more broadly, but particularly by the people of Stradbroke Island and the people who live in the nearby seats such as Cleveland and Redlands. The result of that consideration was reflected in the members they elected who had a very clearly enunciated position about it.

We are fulfilling that election promise. We are fulfilling that election commitment just as we are fulfilling a whole range of other election commitments. Our strategy is to enable sandmining on Stradbroke Island to continue to underwrite the local economy there, while at the same time doing whatever is possible to build an alternative economy for the day when mining may well terminate. The government's position is very clear and has been determined by the results of the election as much as by some report that the member for Mackay is quoting from.

Mr MULHERIN: So the election commitment overrode the department's own policy. Deputy Premier—

Mr SEENEY: Mr Chairman—

CHAIR: Member for Mackay.

Mr SEENEY: I am not sure the member for Mackay should reinterpret my answers like that. That is not what I said.

Mr MULHERIN: Deputy Premier, I—

CHAIR: Deputy Premier, do you take offence because we can ask him to withdraw?

Mr SEENEY: No.

Mr MULHERIN: Contrary assessment—

Mr SEENEY: I just want the record to show that he is misinterpreting.

CHAIR: Member for Mackay, we have five minutes to go, let us wrap this up nicely.

Mr MULHERIN:—to what the department's methodology is. I refer to pages 18 and 24 of the SDS which indicate an increase in employees expenses of \$8.4 million from the 2013-14 adjusted budget of \$81.1 million to the 2014 estimated actual expenditure of \$89.5 million. The explanatory notes state that the increase is due to the additional staffing costs of the new government land and asset management program and the extension of temporary staff for the SARA program. Can the Deputy Premier advise the number of additional staff employed for GLAM and SARA in 2013-14 and the operational reason for the additional employment, I suspect it probably related to glitches that you previously outlined?

Mr SEENEY: I am happy to answer the question. It is interesting that we have been before the committee since nine o'clock this morning. We have had an opportunity to examine all of the issues that are part and parcel of what my department does. There has been plenty of opportunity to ask questions. The member for Mackay and non-government members failed to do so. They ran out of questions on a number of occasions. They did not have questions to ask.

Mr MULHERIN: I can stay here another hour, if you like. Do you want to go another hour?

Mr SEENEY: So late in day they have somebody out there writing very complex and convoluted questions to try to fill in time until five o'clock.

Mr MULHERIN: I could go at least another hour, if you like.

CHAIR: Let us recognise that we only have about three minutes left so let us be nice to each other in those last three minutes.

Mr SEENEY: Mr Chairman, it is relevant, given—

Mr MULHERIN: I would like to move that we go for another hour.

Mr SEENEY: Given some of the absurd comments that the Leader of the Opposition and other opposition members have been making about how an extension from three hours 30 minutes of committee time to six hours of committee time somehow restricted their opportunities, they have not been able to take the opportunities to examine the issues.

CHAIR: Deputy Premier, I will remind you that you two have minutes left.

Mr SEENEY: We will get to the long, convoluted question that the member for Mackay asked. I am not sure whether the member for Mackay deliberately, or the staff working for the member for Mackay deliberately, write the long questions to burn up the time so that he is not embarrassed by not having questions to ask. The question related to staffing levels.

Mr MULHERIN: Filibustering. Answer the question.

CHAIR: Member for Mackay. The enthusiasm in these last few minutes is admirable, but I would just like us to finish.

Mr SEENEY: Given that we have been here all day, it is a question about the numbers in the budget. Mr Chairman, can I broadly say that, as I indicated earlier, SARA was instigated using departmental resources. We did not get an extra budget allocation. GLAM is the same. It is using departmental resources. We did not get an additional budget allocation. Our department actually has done that numerous times. We have taken on jobs on behalf of the government in the tight financial situation that we inherited. I am sure that I do not have to remind the member for Mackay about the \$85 billion worth of debt that he was happy see—

Mr MULHERIN: Your budget papers at—

CHAIR: This rush of blood at the end is, again, admirable, but we only have one minute left.

Mr SEENEY: In that one minute, can I thank—

Mr MULHERIN: You told me you did not have a budget—

CHAIR: Member for Mackay.

Mr SEENEY: Can I thank the officers of the department who have made extensive contributions to the committee hearing today. I think it has been valuable—very valuable. Can I thank the committee for giving those officers an opportunity to tell what is a great story—to tell the people of Queensland about the achievements that they have been able to successfully complete on behalf of the people of Queensland for whom they work.

There is one little correction, or one little confusion that I need to correct. My staff have been looking at the *Hansard*. The Leader of the Opposition asked a question about my travel, as we all knew that she would, but she somehow used two years of figures and put them together. We think it was three six-month periods rather than a year. I said that my travel was 44 per cent below budget. It was 44 per cent below budget last year. It is 41 per cent below budget this year. So I just wanted to make sure that there is no confusion there, because the figures that the Leader of the Opposition used were certainly meant to confuse.

CHAIR: As we said at the beginning, your travel is more hotly anticipated than the Lotto numbers. So I am glad that that is very clear for everyone.

Mr SEENEY: Thank you, Mr Chairman, for what you have done today as well.

CHAIR: The time allocated for the consideration of the proposed expenditure for the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning has now expired. As has been indicated, this has been an historic day for committees in the Queensland parliament and I thank the Deputy Premier. I am not certain if the Deputy Premier and his department have ever faced a full day of estimates hearings, but I believe that it has been of benefit to not only the committee but also to the parliament and the people of Queensland that we were able to examine the portfolio expenditure in the detail that we were able to undertake today. However, for the committee we are only halfway through our work. The committee's second public hearing will be held on Thursday, 17 July, where we will examine the proposed expenditure for the portfolios for the Minister for Energy and Water Supply and the Minister for Tourism, Major Events, Small Business and the Commonwealth Games I declare the hearing closed.

Committee adjourned at 5.03 pm