

## THURSDAY, 17 JULY 2014

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### ESTIMATES—TRANSPORT, HOUSING AND LOCAL GOVERNMENT COMMITTEE—PUBLIC WORKS AND HOUSING

#### Estimates Committee Members

Mr HWT Hobbs (Chair)

Mr JB Grant

Mr DJ Grimwade

Mr CJ Judge

Mrs JR Miller

Mr TS Mulherin

Mr A Shorten

Mr JR Woodforth

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#### In Attendance

Hon. TL Mander, Minister for Housing and Public Works

Mr M Tapsall, Chief of Staff


#### Department of Housing and Public Works

Mr N Castles, Director-General

Mr T Dunn, Chief Information Officer, Information Services Directorate

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#### Committee met at 8.58 am

 **CHAIR:** Good morning. I declare this estimates hearing of the Transport, Housing and Local Government Committee now open. I am Howard Hobbs, the member for Warrego and chair of the committee. The other committee members are Mr John Grant, the member for Springwood; Mr Darren Grimwade, the member for Morayfield; Mr Carl Judge, the member for Yeerongpilly; Mr Anthony Shorten, the member for Algester; Mr Jason Woodforth, the member for Nudgee. Mrs Desley Scott, the member for Woodridge, is deputy chair and is unable to attend today. She is replaced by Mrs Jo-Ann Miller, the member for Bundamba.

We are here today to examine the proposed expenditure contained in the Appropriation Bill 2014 for the portfolios of the Minister for Transport and Main Roads, the Minister for Housing and Public Works and the Minister for Local Government, Community Recovery and Resilience. Today, we will consider the estimates for the Minister for Housing and Public Works and the Minister for Local Government, Community Recovery and Resilience. In the order as outlined in our published program, today's proceedings will be suspended for the following breaks: at 10.45 am, 1 pm and 3.30 pm.

The proceedings today are lawful proceedings subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting guidelines. Today's hearing is also being broadcast live on the parliament's website, with archived video footage available on the parliament's website after each session. I offer a warm welcome to all of those who are tuning in.

Committee members may put questions to the minister, director-general and specified chief executive officers. The minister, director-general or CEO may refer questions to advisers. We expect all departmental officials appearing today to provide full and honest answers to our questions. Anyone who is unwilling or unable to provide an answer should be prepared to state the reason. I remind members, however, that the departmental officials are not here today to give opinions on merit or otherwise of the policies of the government. That is the role of the minister. It is also important that questions and answers remain relevant and succinct. Where necessary, I will remind ministers, directors-general, CEOs and their advisers that their answers to a question should be finalised so that other issues can be examined. For the benefit of Hansard, I ask advisers, if you are called to give an answer, to please state your name and position before speaking. Before we begin, I ask that all mobile phones now be switched off.

The first item for consideration is the estimates of the Minister for Housing and Public Works. We will examine housing services until the break at 10.45 am. We will then examine the areas of building, industry and public works until 1 pm. On behalf of the committee, I welcome to the hearing Minister Mander, officers of the department and entities and members of the public. I now declare the proposed expenditure for the Minister for Housing and Public Works open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you care to make a brief opening statement?

**Mr MANDER:** Thank you, Mr Chairman, and thank you for the opportunity to be here today. Let me just introduce as well my director-general, Mr Neil Castles, and my chief of staff, Mr Matt Tapsall. Mr Chairman, as we are speaking about housing services, let me tell you about some of the very exciting things that have happened in housing services over the last 12 months and which will happen in the upcoming 12 months as well. I consider it an absolute privilege to be able to be working in this space. Working with people on the margins of society is something that I have been passionate about for many, many years. It is great to be in a portfolio where we can provide practical help to house people both in a short-term and longer-term fashion to bring some sort of stability to people's lives, because access to safe and affordable housing is a prerequisite for success in life. It is just an absolute foundation that has to be provided. It impacts on people's access to education and their job prospects. It can have an incredibly debilitating effect on people's physical and mental health and affect their relationships and their finances if they do not have stable housing. That is why I feel that it is so important to be able to provide that in this department.

It pays to reflect for a moment on the situation that we inherited two years ago when we came into power. We had from the previous government a record government debt. We had a Housing portfolio that was losing millions and millions of dollars each year. We had a public housing waiting list that had blown out to over 30,000. We had rampant antisocial behaviour that was going unchecked. We had an inconsistent and unfair rent policy that rewarded some at the expense of others. We had houses sitting for months on end while tenants holidayed overseas or served prison terms. We had a stack of old-fashioned housing that did not meet the needs of our tenants.

So what have we done to meet those challenges that were given to us? We introduced the Housing 2020 Strategy—a strategy that has a number of key priorities. We aim by 2020 to build 12,000 new social and affordable homes. We aim over that period to transfer the management of tenancy management and property management over to the community housing sector—the community housing sector that is purpose fit for this particular type of service. We also intend to divert people away from the social housing sector into the private rental market.

We also launched the Homelessness-to-Housing Strategy—one that looked at building new facilities, making sure that we have a bricks-and-mortar solution to some of the homeless situations that we have and, of course, trying to address the root cause of homelessness. The NPARIH scheme—the National Partnership Agreement on Remote Indigenous Housing—is something that we are very committed to in partnership with the federal government. Last year, we delivered 150 homes to Indigenous communities.

We brought in the three-strike policy to tackle antisocial behaviour, reminding people that it is a privilege to be in social housing and that if they do not respect their property, if they do not respect their neighbours, that there are consequences to that. We have tightened up the rules around temporary absences. No longer can houses sit for months on end being vacant while thousands languish on the social housing waiting list. We have now just recently adjusted the rent policy, doing away with ridiculous and unfair exemptions that left some people paying as little as eight per cent of their income in rent while others having to pay the full 25 per cent.

We have introduced our Home for Good program, bringing in practical measures to identify the level of homelessness that is in the community and to help us formulate the strategies that will get rid of this scourge that we have in our state. We have reduced the social housing waiting list, which peaked in November 2011 at 31,315. Currently, that figure sits at just over 18½ thousand—an incredible decrease of 39 per cent. We have built new supported accommodation facilities, or we are in the process of building them, in Redcliffe, in Townsville and in Cairns and we are also reviewing the Retirement Villages Act and the manufactured homes act to ensure that our aged citizens—those people who can be quite vulnerable—are given a fair deal in the latter parts of their lives. So there has been an incredible amount of reform that has taken place. No doubt, I will get an opportunity to elaborate on those things throughout the course of this hearing.

**CHAIR:** Thank for you that, Minister. I call the member for Bundamba.

**Mrs MILLER:** Minister, I refer to page 3 of your SDS. Why did you and your department decide to award the tender for the Logan renewal project to Compass Housing Services—a New South Wales organisation—when there were very successful Queensland organisations on the short list? Why did you not support a Queensland housing organisation? Is Compass an LNP donor?

**Mr MANDER:** Thank you for that question, member for Bundamba. Let me say that the Logan Renewal Initiative is one of the most exciting proposals that has ever been thought about in this public housing space. As I mentioned earlier, one of the aims of this government is to transfer 90 per cent of the management of property and tenancy management to the community housing sector. We want to do that because we believe that these groups do it far more efficiently than government can do it. They are more locally based, they are more nimble and, very importantly, they are far able to provide the holistic services—the wraparound services—that are required to help people sustain their tenancies.

The Logan Renewal Initiative was the first opportunity that we have to be a prototype, if you like, for this particular policy. What we are aiming to do there is to transfer the management of nearly 5,000 social housing properties over to the community housing sector. We also plan to renew the social housing portfolio in that area, where a lot of the properties are over 25 and 30 years of age, and therefore costing a lot of money to maintain. We need to change the portfolio mix, where we have lots of three- and four-bedroom homes and we need far more one- and two-bedroom units now that we have 48 per cent of people on the public housing waiting list who are single people. The other thing that we are trying to do there is to reduce the concentration of social housing, which has been a problem that the Logan City Council has notified us about on many occasions.

Getting back more directly to your question, member for Bundamba, we have gone through an open tender process with regard to trying to select a successful proponent. The outcome of that is confidential and has not been announced at this stage. We are coming very close to the end of negotiations with who we believe will be the successful proponent. Let me say that I am very, very excited about what that outcome will be. It will be good news for the people of Logan in general but specifically for the social housing tenants in Logan. They will receive a service in the future that will enable them to have the very best of services. They will have genuine renewal of their properties and, as I said, will have reduced concentration as well of social housing. At this stage I am not in a position to be able to talk about who is the successful proponent. I am not sure where the member for Bundamba got that information from.

**Mrs MILLER:** It is interesting that the opposition announces the contract. Can I just ask the director-general a question, please. Director-general, you just heard the minister speak about 'rampant' antisocial behaviour. Can you please tell me what statistics the department has from the Queensland Police Service that correlates the statistics of so-called antisocial behaviour with the statistics held by the department of housing, if any exists at all?

**Mr Castles:** I will have to put that on notice. What I can say is that the relationship between the police stations or the police officers in each of our housing service centres and the housing service centre staff is very strong. There is a very, very strong relationship. They both work together and both keep each other informed of the behaviour of tenants and so forth so that we can tackle the issue of bad tenant behaviour together.

**Mrs MILLER:** So to your knowledge there are no statistics?

**Mr Castles:** To my knowledge, there is not, but we would have to take that on notice.

**Mrs MILLER:** Okay. So it is defaming public housing tenants, in other words.

**CHAIR:** Member for Bundamba, this is not parliament; this is estimates so we need to be able to get to the questions. I would appreciate that.

**Mrs MILLER:** Thank you. Director-General, I refer to page 3 of the SDS. Has there been any modelling undertaken in regard to outsourcing the public housing system to the community and the private sector? Will you make that modelling public and how much has that modelling cost the people of Queensland?

**Mr Castles:** The modelling was undertaken by Queensland Treasury Corporation, which is a statutory body of the state and also operates very independently of this department. It recognised with respect to the Logan Renewal Initiative that there was a significant net present value benefit associated with the outsourcing. All outsourcings are going to be done on a case-by-case basis and it will depend on the offer when we go out to tender as to what represents the best outcome. In all cases right throughout the state it will be on a value for money basis and it will be on the basis of if there is value for money we will undertake the outsourcing and if there is not value for money it would be inappropriate to outsource.

**Mrs MILLER:** Minister, I refer to page 3 of the SDS and the Housing 2020 document where you state in your message—

... the Government will change from being a direct provider of long-term housing, to being a regulator and purchaser of these services from the community housing sector.

Will you just be providing a lump sum of money to these housing providers to run everything associated with public housing including the rent roll, maintenance and support services that go with it?

**Mr MANDER:** I thank the member for Bundamba for that question. What we are endeavouring to do is to make sure that our social housing tenants have the best services available to them. We are of the very firm opinion that the community housing sector is best positioned to do that which, I might add, I believe was also the opinion of the previous government. I should remind people that, out of the 70,000-odd houses that the government owns, 25 per cent of those are already managed by the community housing sector—a policy that was followed by the previous government. The previous government had also committed to bringing management to 35 per cent of our portfolio at the latest COAG meeting that they attended when they were in government. So this is not a revolutionary new policy. This is actually accelerating a policy that was in place, and that is accepted right across the nation, that this was the best way to move forward.

So there is nothing suspicious occurring here. This is simply sound, good policy, and we will be entering into different contractual arrangements with different providers depending on the circumstances in different regions. It is important to note that this will not be a cookie cutter approach, if you like, across Queensland. We will be making sure that the rent register remains central. There will be one rent register that the community housing organisations will work from. The community housing organisations in the future will be responsible for the payment of maintenance costs. So there is nothing extraordinary here. Each of those arrangements, as I said, will be tailor-made and region specific depending on the capability of the particular organisations that we are dealing with.

**Mrs MILLER:** I have a question for the minister. I refer to the SDS, pages 3 and 9. Minister, I am referring to your appearance on *A Current Affair* last night where you indicated that the average rental for Brisbane is \$420 and the gap between public and private is big and that it needs to be addressed. You also seemed to indicate that there is an inequity with those inside the public housing system and those outside. Minister, should our public housing tenants in Brisbane now prepare for a massive jump in their rents?

**Mr MANDER:** Thank you for that question, member for Bundamba. I must admit I did not see the *A Current Affair* program last night.

**Mrs MILLER:** It is online.

**Mr MANDER:** Thank you. I will make sure that I have a look at that. Thank you for the opportunity to talk about an anomaly that simply had to be addressed. Most people, I believe, are under the understanding that social housing tenants rent is calculated at 25 per cent of their income. It was always my understanding that it was 25 per cent, which is a figure that I believe is generous but fair. It came to my attention that that is actually not the case. The rent calculation for social housing is actually 25 per cent of assessable income.

Then we found out, after digging a little bit deeper, that the previous government, for whatever reason—it is very hard to fathom why—has made around 100 different types of allowances—some one-off payments, some regular payments that people receive on a weekly and fortnightly basis—and

they exempted them from assessable income. This was inconsistently applied. Some of those allowances were assessed at a lower rate than 25 per cent. Some of them were assessed at 15 per cent. Some were regarded as being non-assessable. This was inconsistent with what was happening interstate as well. I believe that this was completely unfair and undermined the 25 per cent rent policy, if you like.

What we realised then was that the social housing tenant on average was paying rent of around \$125 or \$126 a week. When you compare that with the median rent across Queensland, which is \$359, there is a huge anomaly between what is being paid in social housing compared to what is being paid in the private rental market. Not only that; it was unfair for people inside the social housing system because, for example, pensioners who did not receive as many allowances of course had fewer exemptions compared to some other people in public housing who received a lot more allowances where there were exemptions for those allowances. That meant that pensioners might have been paying 22 per cent of their income where others were paying as little as eight per cent. This is simply unfair and it undermines, I think, the intent of the 25 per cent policy. So what we are doing is redressing that situation.

So what we have done is we have looked at those allowances and we have made most of those allowances now assessable. We understand that to jump straight to the new rates in a one-off fashion, if you like, would be a burden and would be too much for most of our social housing tenants. So we have brought in a very fair and compassionate policy. So when they do their next rent assessment, which happens on a rolling basis every year, if people are affected by this policy their rent will increase by no more than \$7.50 a week as it relates to this policy, and that will happen every year until they come to the rate that is the rate they should be at. For some people it will take up to 10 years to get to that rate. So I think that is a fair policy. I think that has shown compassion and it also helps when what we are trying to do is help people transition through social housing. It makes it even more difficult to go to the private rental market if the chasm is as big as it is at the moment. So we do not back away from this. This is a policy that is fair, that has been communicated quite clearly to our social housing tenants. I must say we have had very little negative feedback about it because people realise it is a fair policy.

**CHAIR:** Thank you, Minister. Minister, when this government came to office it inherited a serious financial situation. Throughout the SDS, such as on pages 4 and 5, examples are given of the government initiatives that aim to improve the outcome for needy Queenslanders. Can you inform the committee of the reforms that you and your department have been undertaking in a bit more detail?

**Mr MANDER:** Thank you, Mr Chairman, I would be happy to do that. As I mentioned in my introductory statement, we announced the Housing 2020 Strategy over 12 months ago now and our whole aim is to create a flexible, efficient and responsive housing system for our most vulnerable Queenslanders. That will feature a stronger service delivery role for community housing providers and also provide low-income householders with opportunities to secure appropriate and affordable housing in the private housing market. There have been a number of initiatives to enable this to take place.

There have been quite significant reforms to the Housing Act 2003. That commenced on 1 January this year. The amendments that we made there underpin the major reforms to the way that social housing is funded, regulated and delivered in Queensland and significantly changes the way the department relates to providers. The implementation of the National Regulatory System for Community Housing, the NRSCH, from 1 January this year is supporting the growth and the development of the community housing sector. It will register and monitor and regulate community housing providers. It will improve investment in the sector. It will reduce the regulatory barriers for providers who want to operate in different jurisdictions, and it will strengthen and change the department's relationship with these providers.

As we have just mentioned, we have already gone through a quite detailed process in reviewing the way that public housing rent is calculated. I will not go through that again other than to emphasise the fact that we understand that this would be a bridge too far for some people if we went straight to the rates that they should be paying under the new policy, and we have made sure that we have compassionately had a policy that makes sure that the rent as it applies to this policy does not increase by more than \$7.50 per week per year.

We have brought in our antisocial behaviour policy that I am sure I will get an opportunity to elaborate a little bit more later on. Again, it is reminding people in public housing that it is a privilege to be in heavily subsidised housing. Let me state we are talking about a small minority of people who do the wrong thing. They need to know that there are consequences to their actions.

We have also set the target, which I mentioned earlier, of 90 per cent of our tenancy and property management to be transferred to the community housing sector. I have been travelling around the state talking to community housing providers who are very excited about the opportunity. Many of them operate in the space at the moment and the challenge for them is to build their capability, to build their capacity, so that they can take on the extra houses that will be heading their way over the next few years. They are very, very excited about that particular prospect. As has been already mentioned, the Logan Renewal Initiative is the prototype, if you like. That has been a very long process as we have negotiated with the different proponents. It is important that we get this right. This is a significant policy development. Nowhere else in Australia is anybody being as ambitious as this. It is important that we get this first one right so that we can roll out the rest of the program over the next six years.

We have, through our Housing 2020 Strategy, committed to increasing the number of social and affordable housing dwellings by 12,000. Approximately 3,000 of these dwellings have been already built. There will be more of those rolling out in the ensuing years. In 2013-14 we continued with the National Partnership Agreement on Remote and Indigenous Housing, the NPARIH scheme. We delivered 175 new constructions. We refurbished 308 houses and 305 service lots for use were provided as part of the new construction program. So there has been some great things happen in NPARIH where we are providing housing for those Indigenous communities to reduce overcrowding. We have also been at the forefront of leading the whole-of-government effort to help our Indigenous brothers and sisters be involved in homeownership. We have been removing the barriers that have been there in the past with land tenure issues. We are getting some great expressions of interest from individuals in Indigenous communities, and we are very hopeful that there will be some very positive news about that in the very near future.

Under the homelessness space, where we announced our Homelessness-to-Housing Strategy 2020, we really are about providing a bricks and mortar solution to make sure that we have more facilities for the most vulnerable in our state. So we are redeveloping Douglas House in Cairns at the moment. That will be finished by the end of the year, where we are providing additional supported accommodation for 22 people. We are in the middle of building a 20-bed supported accommodation facility in Redcliffe, and that is going along very, very well. We will be delivering another 20 beds in Cairns and another 40 beds in Townsville, and we will be making those announcements very, very shortly. These developments will have 24-hour on-site local support services providing a holistic response, not just providing shelter but also trying to get to the core issues of why people found themselves homeless in the first place.

One of the other great challenges we have is an underoccupancy rate in Queensland's social housing properties that currently stands at 14.4 per cent. That means we have houses with usually single people with two or more spare bedrooms. That, of course, is not a good use of those properties. We are endeavouring to provide far more one- and two-bedroom units so we can move people out of those houses and put them into more modern accommodation—usually these people are elderly—that is far easier for them to maintain and then of course put a family into the house. That is something that is occurring. In 2013-14 over 660 underoccupied dwellings were vacated, allowing for allocation to tenants in need of larger dwellings and better utilisation of the stock within the portfolio.

Finally, I mention the Housing Assistance Triage System that we are introducing to particularly help people in the homeless space. We are trialling this on the Gold Coast at the moment. The whole aim of the triage system is that, no matter where a person enters into the system looking for housing assistance—whether they are homeless and looking for immediate or crisis accommodation or whether they are looking for longer term accommodation, whether it is in social housing or the private rental market—they will be assessed consistently no matter what government agency they go to, no matter what community housing organisation they go to, and they will also be case managed. This is a far more strategic and coordinated approach than has ever been attempted before. They are just some of the things that we have been involved with over the past 12 months.

**CHAIR:** Thank you, Minister. That is very comprehensive. Minister, page 3 of the SDS mentions growing and renewing the social and affordable housing portfolio through construction and redevelopment projects. Can you outline what types of projects have been considered to maximise the value for the Queensland taxpayer?

**Mr MANDER:** Absolutely I can. Thank you for that question. In the last financial year we continued to grow the social and affordable housing portfolio to better align with client needs and local priorities. As I touched on briefly earlier, we have a real challenge with regard to our portfolio mix. The

properties we own at the moment were really designed for the demand that we had 30 years ago. That was a family—mum and dad and a couple of kids. Today the challenge is that, as I mentioned, 48 per cent of people on the social housing waiting list are actually single people. Of course, now that we prioritise people's entry into the social housing sector by need, it is those with very high needs that come into the social housing sector. So we have to make sure we have appropriate housing for them as well.

As at 31 May this year, 2,409 new affordable housing dwellings have been delivered through the National Rental Affordability Scheme, NRAS. That scheme was a partnership between the state and federal governments whereby incentives were given for investors to build properties on the proviso that they would rent those properties back at no more than 80 per cent of market rate. So it is an affordable housing measure that has been very successful in this state. An additional 218 new social housing dwellings were completed. Also, an additional 168 were commenced through the department's funded capital program. Dwelling numbers in Indigenous communities increased by 181, as I mentioned previously, through the National Partnership Agreement on Remote Indigenous Housing.

So we are continuing to pursue innovative opportunities within the current portfolio to renew and redevelop state owned property through a range of initiatives. We are entering into partnerships with different groups as well. Some of those examples are that we have some new one-bedroom apartments being delivered at Fitzgibbon in partnership with Economic Development Queensland and at Mount Gravatt East we have a partnership with the Brisbane Housing Co. where we are delivering around 57 new units that will be designed for older people. These will help to accommodate seniors.

Another time that I appeared on *A Current Affair* we highlighted the fact that there was an elderly couple that had been in a social housing property for 48 years. They had raised their family there and they realised that the property now was too much for them to maintain—and of course they had spare bedrooms. They felt guilty about that. So they were delighted when I took them to this new development to show them that this is where their new unit would be. To use their words, they felt like they had won the lotto, to be in this beautifully placed unit. These people had been impeccable social housing tenants over those years. This is what we are trying to do, in partnership, by getting people out of those underoccupied houses and putting them into units where they are going to be far more comfortable.

There were other partnership opportunities to help us renew the portfolio. We have partnership agreements with Defence Housing Australia, with Youngcare and with Churches of Christ. In particular, I know that we have given Youngcare some land under the GLASS program so they can develop appropriate housing for those who have physical health issues. There are some very exciting developments happening there.

They are some of the things that are happening in making sure we deliver more accommodation for our most vulnerable. I am very excited about those prospects.

**Mrs MILLER:** Chair, just a procedural matter. Earlier the director-general said that he would take a question on notice. I think the minister has to give approval for that. Minister, is that okay—the question on notice?

**Mr MANDER:** I am at the discretion of the chair.

**CHAIR:** I just thought it was going to happen anyway.

**Mr MANDER:** I give my approval.

**Mrs MILLER:** Thank you.

**CHAIR:** Thank you, Minister.

**Mrs MILLER:** Minister, I refer to page 3 of the SDS. Is it not the case that you have not actually reduced the public housing waiting list by 30 per cent, as you claimed in a press release on 4 December 2013? All you have done is simply cleansed that list and kicked worthy people off the list and not housed many new tenants at all?

**Mr SHORTEN:** I note that the member for Bundamba has referenced page 3 of the SDS. Where on that is she getting her facts?

**Mrs MILLER:** It says 'ensuring that our most vulnerable Queenslanders have access to housing and homelessness solutions that best suit their needs'.

**Mr SHORTEN:** Thank you, member for Bundamba, for clarifying that.

**CHAIR:** Minister?

**Mr MANDER:** Thank you for that question. You are right, member for Bundamba: the figure is not 30 per cent; it is actually a reduction of 39 per cent. It is a remarkable figure because we have really applied ourselves to making sure we reduce this figure and make sure that those with the highest needs are actually given accommodation. There is no trickery involved with these figures. This is real. I will explain how that has actually taken place.

Over the past two years we have actually put 14,800 people into houses and we have issued over 50,000 bond loans. This is a really important thing to understand. Many people who come into a housing service centre are not aware of any options other than social housing and, in fact, had not been used to dealing with the private rental market. What we find, after they have shown the income that they earn, is that it is determined by those local officers, in cooperation, of course, with the applicants, that they actually could be in the private rental market. But one of the barriers is having a bond—having that four weeks rent upfront. So we have removed that barrier and issued 50,500 bond loans. These are real figures. That means that, where you have paid for a bond, people have actually gone into a private rental property. That has been a fantastic initiative that we have really emphasised far more and put more resources into.

We also have the RentConnect program. As I mentioned, before people receive that bond we actually connect them with the rental market. We have made 9,000 RentConnect engagements over that period of time.

Another important issue has been the National Rental Affordability Scheme. There have been over 5,000 people go into NRAS properties. Thirty per cent of those people have come off the public housing waiting list. So that has been another great way of bringing that down.

The other thing that has taken place is that we have managed the social housing waiting list far better than it has been managed in the past. It is not right that people are left on the social housing waiting list for years when in fact they are in the private rental market and just have not gone about the process of advising people and nobody has ever checked up on them. So we have managed the list far better than it has been managed in the past.

It is quite easy mathematics, if you think about it. We are putting people into houses. There are fewer people coming into the sector because of the other incentives we are providing for people to go into the private rental market. And then when you have the normal turnover of people who go through social housing, with those factors, it means that the waiting list will come down. That is exactly what has happened. We are very, very proud of the fact that the figure now is at 18,597, which is an astonishing 39 per cent less than it was when we first came into government.

**Mrs MILLER:** My question is now to the director-general in relation to page 3 of the SDS. Director-General, is it not the case that the minister and you have instructed the departmental regional officers that they should send out letters to people on the waiting list and that if they do not respond to those letters—they might not have received the correspondence, they might have moved to another property or the correspondence simply did not get there—you simply cut them off the list? I would like you to confirm that that is the process and that is the reason there has been, as the minister just said, an astonishing reduction in the list—because the applicants have not responded to the letter, probably because they have moved somewhere else or perhaps because some people cannot read English.

**CHAIR:** Member for Bundamba, I cannot find anywhere on page 3—

**Mrs MILLER:** It is page 3 of the SDS where it says 'ensuring that our most vulnerable Queenslanders have access to housing and homelessness solutions that best suit their needs'. This is a matter of detail as to how the waiting lists are actually managed.

**Mr SHORTEN:** It is an awfully long bow.

**Mrs MILLER:** No, no. I know how it is managed. I want the director-general to confirm it.

**CHAIR:** You really need to look to a better reference. I will allow the question, but I think you really need to have some credibility in the reference that you give in the future. I call the director-general.

**Mr Castles:** Thank you for the question. It has always been standard operating procedure over a very, very long period of time—before this government came into power—that there would be 28 days notice given for potential tenants to respond or they would go off the waiting list. One of the other issues is: yes, if they have moved address we need to know where they have moved to. There is an obligation also on the part of those prospective tenants to actually respond to that.



**Mrs MILLER:** I have a follow-up question, Mr Chair.

**CHAIR:** Yes.

**Mrs MILLER:** Do your departmental officers try to ring the tenants? My understanding is that under the previous government we never took them off the list; we actually followed them up to see where they were or phoned them.

**Mr Castles:** Thanks for the question. Again, as with the previous government's program, we also ring or email all tenants on the waiting list.

**Mrs MILLER:** So what happens if they have not received the letter and you phone them and a lot of public housing tenants do not have credit on their phone so you cannot get through to them? My understanding is that the regional officers just go 'delete' and that is how they get off the list. Is that in practical terms what happens?

**Mr Castles:** I will have to take that—

**Mrs MILLER:** Minister, are you happy for that—

**Mr MANDER:** It sounds like to me there is no change in the process.

**Mrs MILLER:** There is.

**Mr MANDER:** It has happened for many, many years, and let me go back to the point I made. We do not back away from the fact that we are managing this far better than it has ever been managed in the past. No longer do people languish on the waiting list when in fact they do not need housing—when they have actually got a housing option some other way. This is just an example of the difference between the previous Labor administration and the current government—that is, we manage projects and processes far better.

**Mrs MILLER:** The difference is, Minister, that this government is arrogant and is a government of punishment.

**Mr GRIMWADE:** I have a point of order, Mr Chair. I do not know how long we can go on with these meetings with her venomous tongue. I will say that she is making hypotheticals like situations of a tenant dropping their phone over the side of a boat or something.

**Mrs MILLER:** Really? That is what happens if you are in the LNP because you can afford a boat.

**CHAIR:** That is enough. Member for Bundamba, I believe it is appropriate to give a preamble to a question but in future can you please make a genuine reference. A preamble is okay. The questions you are asking are in a lot of ways okay, so can we just carry on in a civilised manner and hopefully you will get a civilised answer.

**Mrs MILLER:** Hopefully, Chair, thank you. My next question is to the director-general and it refers to page 3 of the SDS where it says, 'ensuring that our most vulnerable Queenslanders have access to housing and homelessness solutions that best suit their needs,' and also page 9 of the SDS where it says, 'Housing Services coordinates and delivers a broad range of integrated housing and homelessness supports and services to Queenslanders most in need.' Director-General, regarding your department's facilitation of housing services in this state and a new temporary absences form in relation to properties, is this being enforced rigorously by your department? What consultation programs were undertaken with tenants prior to the drafting, approval and implementation of this policy? And when did this policy come into force?

**Mr Castles:** The policy came into force earlier this year. The department saw it as appropriate that there was greater control over the absences from tenancies and them being away from home. In many cases when tenants were away from home, they paid a reduced rent. We are here to provide housing for the most needy in our community, and sometimes people go away on holidays for three, four or five months at a time and it is very inappropriate that they can maintain their housing without any real reason, while there are many, many in our community who actually need those houses.

**Mrs MILLER:** Do you have any statistics in relation to those tenants who are on holidays for three, four or five months at a time? I do not think you do.

**Mr Castles:** Between 17 February and 31 May, 551 public housing properties reported a temporary absence—501 were approved up to three months, 48 were approved up to six months and two were approved up to 12 months. Of the 48 approved for up to six months, 29 were for health and rehabilitation reasons, seven were for incarceration awaiting conviction, five were for up to 12 months, one was for rehabilitation and one was for incarceration.

**Mrs MILLER:** Just as a follow-up, Mr Chair, just prior to the development of this policy, could you tell us once more what statistical evidence you had in relation to your statement that public housing tenants were going on holidays for three, four or five months at a time? What was the statistical basis for this policy?

**Mr Castles:** Again, it was feedback from the housing service centres around what was happening. Because of that, we believed that we had to put in place an arrangement in terms of people who were going on overseas travel—and very much with respect to people who had tickets booked for overseas travel and so forth, we allowed those to continue where they had passage that was for a required period of time.

**Mr MANDER:** Mr Chair, am I permitted to make a comment?

**CHAIR:** Yes.

**Mrs MILLER:** I just wanted to ask another question.

**Mr MANDER:** It is related to this.

**Mrs MILLER:** Okay.

**Mr MANDER:** The statistics are that there are over 30,000 people on the public housing waiting list. Any reasonable Queenslanders would have seen the previous policy where people were allowed to vacate their house for up to 12 months. We had people in prison and their property was kept for them for 12 months and they were paying \$11 a week or thereabouts for rent and they were allowed a caretaker to come and look after the house for them. That was a ridiculous policy that had to be changed.

As well as that, when you have got more than 30,000 people on the public housing waiting list, people with high needs, and we have houses vacant for that period of time, it is totally unacceptable. This is heavily subsidised rent, and people need to understand that when you are in these situations there are limitations on what you can do in public housing. The policy now is that you can have up to four weeks, which is I think again a reasonable privilege. If you want to go more than four weeks for very good reason—whether it is for health reasons, for training purposes or for some other compassionate grounds—you can go to your local HSC and they will hear your case and if it is appropriate they will approve that. Again, it is a fair policy. It is a policy that I think most Queenslanders would say is reasonable.

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

**Mr WOODFORTH:** Good morning, Minister. It has been great to hear your answers this morning. They seem to me to be very practical and logical so congratulations to you and your department. Minister, on page 5 of the SDS, it mentions that the government 'reformed tenancy management and introduced a new anti-social behaviour policy'. What has been the impact of the three-strikes policy across the state? Does the policy appear to have had the desired effect for the staff in housing service centres and neighbours in the community?

**Mr MANDER:** Thank you very much, member for Nudgee, for your question. This three-strike policy has been in my opinion an outstanding success. As I mentioned earlier, previously antisocial behaviour basically went unchecked when people realised that there were no consequences for their actions. Yes, they might have received a breach notice but if they behaved themselves for 30 days then that breach notice no longer had any consequence. As I was travelling around the state or receiving letters from different people from all over Queensland or going to community cabinet meetings, I was constantly hearing from people who lived next door to the neighbours from hell. Let me say again that this is a very small minority of people in public housing but that small minority have given many other great tenants a bad name. It was important for them to understand that there are consequences to their actions.

We implemented the three-strike policy on 1 July last year and the first 12 months has just rolled through. As at 31 May 2014, 1,249 households had received a strike. Let me just give you a break-up of that. That was a total of 1,562 strikes. There were 1,186 first strikes, so that is 76 per cent of those strikes. There were 252 second strikes, which is 16 per cent. Then there were 42 third strikes, which is three per cent. There were also an additional 82 first and final strikes where the behaviour was so bad that they did not deserve to go through the three-strike process.

Member for Nudgee, I have said from the very beginning that the success of this policy will not be judged by the number of people that we evict. That is not what we are trying to do. What we are trying to do is modify people's behaviour. I have travelled and visited all 22 of our housing service

centres where we have some wonderful staff. These are people who work on the front line every day who have both passion for their work and compassion for the people they are dealing with. They have welcomed this policy with open arms. They say, 'Finally, we've got something with some teeth,' because they had this small minority of people who continued to transgress without any consequences.

By looking at these figures and seeing that only 16 per cent of people received a second strike, that says to me that they have heeded the warning and that they realise we are fair dinkum about this. What we are also able to do after a second strike is help people work through the issues that they have. We do not just leave them on their own; we bring in the support services that might be necessary to sustain their tenancy. It is in everybody's best interest that they stay in the property and they become good tenants. That is what our aim is and I believe that this policy has enabled us to do that. It has also given peace of mind to normal, law-abiding Queenslanders who happen to be unlucky enough to live next door to this occasional neighbour from hell.

**Mr WOODFORTH:** Chair, could I comment on that. Could I say from an electorate point of view that we have had fewer complaints coming in from those living next door to public housing, so it is certainly changing behaviour and I congratulate you on the policy. Minister, on page 3 of the SDS at dot point 11, it mentions conducting regional planning. What will this mean for my electorate?

**Mr MANDER:** Thank you for the question. What we are doing is that we are trying to assess the needs for housing and housing support services right across the state. Again, let me say that Logan is in some ways the prototype, but Logan was a bit more complex because there was a bit more redevelopment involved in that particular contract. We are moving across the state, region by region, and we will be developing regional plans. Rather than having an ad hoc cookie cutter approach, we will be going to each region, which includes your electorate of Nudgee, and we will be assessing what the needs are in those areas for social housing, for affordable housing, for specialised homelessness services, for other special services like DV and for any other housing assistance that is required. We will also be assessing the capability in the area for the community housing providers and the other service organisations. We will then be engaging with those people, so there will be a formal consultation process as we talk to them about the need and give them an opportunity to tell us how they think that need can be met. They will then come back to us and the department officials will formulate if you like a document that will go back out to the community to say, 'These are the services that are required here. Here is your chance to bid for that and tender for that.'

This will be a systematic process. It will be done region by region. It will be tailor-made for the needs of that region. The area of Mount Isa is totally different from the area of the Gold Coast, which is totally different from what happens out at Longreach. So it is important that we listen to the local providers in those areas, and I am very confident that in the end we will be able to provide housing services that really capture everything that we are trying to do in this space, which is provide renewal, reduce the concentration of social housing and change that portfolio mix, which is so necessary.

**Mr GRANT:** Following on from that, Minister, we have heard over many years that it is so complex and people miss services because they just do not know where to plug in. During that regional planning process what will be done to simplify it from the consumers' perspective, you know, one system and not 100 different services?

**Mr MANDER:** Thank you, member for Springwood. I know that this is an area of great passion for you, and I appreciate your support and advice to my portfolio over the time that I have been here. You are right: it is important that we have a coordinated, strategic approach to housing, making sure that housing and the homelessness spaces are engaged with each other and integrated well and to make sure that, as you say, potential clients have a clear pathway to have their housing needs provided for.

We are going to work within the current health department regional boundaries so it makes sense to be consistent with some government operations already. As I said before, we are going out and engaging with the community housing providers. In the homelessness space we are going to be running what are called 'registry weeks'. We did this recently in Brisbane. One of the challenges at the moment is that we are dealing with figures in the homelessness space which are outdated from the last census, and of course this is an area where it is very transitional and people are running in and out of that space.

So we actually went out and did a registry week, and Micah Challenge headed up that particular task. From memory I think we had around 400 people involved, which included many volunteers who literally hit the streets. I did that one morning as well out here in Brisbane. It is quite a confronting experience when you come across people who are sleeping out in the open or sleeping

under a little tent that they have made up, and you can see that there are very complex reasons why people are homeless. One of the reasons for doing this is actually to find out the true number. What is the true number of rough sleepers in Queensland? What is the true number of people sleeping on couches or in crowded accommodation? It is not until we know those figures that we can really formulate appropriate strategies to make sure that we are addressing the real need rather than the perceived need.

So that provided some quite confronting statistics, and we will be doing that in every region as we go about this regional planning process to make sure that we have got good information right from the very start. That will, as I said, help us formulate the appropriate strategies to address these issues.

**Mr GRANT:** Minister, on page 4 of the SDS it states that programs will assist over 38,000 low-income households to remain in or move to the private housing market. I ask: what will this mean for people on the waiting list, and does this enable the state to do more with less money?

**Mr MANDER:** I thank the member for Springwood for the question. This is referring to what I mentioned before when I was talking about the reduction of the social housing waiting lists. We have managed to do that by giving people an opportunity to be in the private rental market where they do have the freedom to go away on six months leave, or 12 months leave, or do whatever they want to do once they have the freedom that is associated with being in the private rental market. There have been a number of different products and policies that we have promoted and increased which includes: RentConnect; bond loans; rental grants; housing loans; and of course the National Rental Affordability Scheme also played a major role in helping people get into the private rental market.

As I mentioned earlier, the RentConnect program—I often call it a matchmaking program—is where people come into the housing service centre looking for accommodation because they maybe have not had experience in dealing with the private rental market and it is a little bit daunting for them or they may have had some problems in the private rental market in the past. What we have are some great RentConnect officers whose job it is to do exactly that: connect them to the private rental market and real estate agents. We have had some great success in doing that. I mentioned the National Rental Affordability Scheme earlier which provides affordable dwellings for low-income earners. Thirty per cent of people who have gone into NRAS programs came off the social housing waiting list, which has been fantastic.

We also mentioned bond loans. For the 11 months to 31 May 2014, nearly 21,000 households received a bond loan and just under 11,500 received information and advice on finding and securing a private tenancy through RentConnect. So these are real numbers and real people going into the private rental market who just need that little bit of assistance at the beginning. It is our hope that once they are in the private rental market they can sustain that. It takes pressure off the social housing sector, and of course it enables those with very high needs to be the ones that are housed as a priority in social housing.

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

**Mr SHORTEN:** Thank you, Chair. Also on page 4, Minister, of the SDS it refers to the increase that you have provided for the Street to Home program. I know you have just spoken briefly about that, but can I just ask how this program has assisted needy Queenslanders?

**Mr MANDER:** Thank you, member for Algeester. Yes, I spoke about premises in general but this is a specific program, Street to Home. It is incredibly important, as I mentioned, that we get people under a roof. Of course if you are sleeping rough your whole life is normally in disarray and it is very difficult to get a proper education; very, very difficult to get a job or hold a job; and very difficult to get any financial stability or just general social cohesion. So it is important that those people who are sleeping rough out in the streets are given some sort of shelter. Street to Home is one of our key initiatives and that is doing exactly as it says: getting people off the street into a house. During 2012-13, 1,075 people were actually assisted by Street to Home services in Mareeba, Cairns, Townsville, Brisbane and the Gold Coast. Of course the whole aim is to get people stabilised, to actually find out what some of their issues are, and to help them to make some long-term lifestyle changes and to get them into longer-term housing. It is really that short-term crisis accommodation to stabilise them and find out the root causes of their homelessness and then hopefully to move them into longer-term housing.

We have had two projects contributing to the commitment that we made in the Homelessness-to-Housing strategy. We are committed to providing additional dwellings and we have completed some work at Holland Park, where we are giving up to 14 families and individuals who have fallen on hard times on Brisbane's south side a brighter future by putting them in a house.

**Mr SHORTEN:** So you are actually building more units for accommodation to be utilised in this program?

**Mr MANDER:** That is correct, we are. Let me just give you a few more details about that. There are two projects contributing to this commitment that have been completed at Holland Park and, as I mentioned, giving up to 14 families and individuals an opportunity to be housed. A further project is scheduled for completion at the end of this month that will provide up to 10 families and individuals with an opportunity to get their lives back on track. The department, in partnership with the Australian government, will be delivering a total of 61 dwellings in six developments across the state to again provide accommodation for vulnerable Queenslanders, and of course as we go through our regional planning process we will again be able to assess the needs that we have, not forgetting our supported accommodation facilities in Redcliffe, where there are 20 beds being constructed right at this moment. There are a further 22 beds being constructed in Douglas House in Cairns; there will be another 20-bed facility provided in Cairns; and of course another 40 beds in Townsville. We will be making an announcement about that very, very shortly.

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

**Mr GRIMWADE:** Thank you, Chair. Minister, on page 3, dot point 1 of the SDS, it states that one of the key government policy objectives is to 'ensure that our most vulnerable Queenslanders have access to housing and homelessness solutions that best suit their needs.' I ask the Minister: can you please outline what the Home for Good Program adds to this objective and why it is necessary before more detailed planning can be done?

**Mr MANDER:** Thank you very much, member for Morayfield, for your question. As I referred to earlier, we did launch our Homelessness-to-Housing strategy last year. Our whole aim is to reduce the homeless rate by 50 per cent by 2020, and it is important that of course we provide real solutions to this and we also continue to highlight the plight of people in this situation. It is incredibly easy to stereotype homeless people. I think one of the most confronting things that occurred to me at our Home for Good launch—which I will explain a little bit more about in a moment—is when I came across a very well dressed mature lady who was a qualified teacher. She said that she found herself homeless when, quite shockingly, her son tricked her into signing her house over to him. Once she did that he literally kicked her out and she was out in the street, and of course that was just a humiliating experience for her. That really helped to smash the stereotype that I know it is easy to feel or perceive of people who are homeless. So it is important that we educate people about this and let people know that it can happen to anybody. Home for Good is a media and promotional campaign to raise the awareness of homelessness and to generate volunteer community participation in some of the registry weeks. I mentioned that one in Brisbane before. We plan to do that right across the state so that we get a genuine figure for those people who are homeless and make sure that we put the right solutions into place.

Just going back to that Brisbane Registry Week, we came across 961 homeless individuals and families who were surveyed. From that cohort of 961, 235 people were aged under 25, and 267 families were involved with 537 children. It was quite confronting when we realised that. These people were not necessarily on the streets, but they regarded themselves as homeless. In fact that is one of the reasons that we have to have good initiatives in place so that we can make sure that families who are looking for some sort of stability are actually given a roof over their heads. We will be doing more of those registry weeks right across the state which will help inform our regional plans. I am looking forward to getting the community involved with this, because it is important that people know that this is not just a government challenge; it is a challenge for the whole community.

One of the great things about that registry week that we did in Brisbane a few months ago was the number of people that volunteered. We had all of our community organisations that are in the homelessness space involved, but there are many other volunteers as well. It is very encouraging to know that there are people who are willing to put themselves out there at four o'clock in the morning to find those who are homeless.

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

**Mr JUDGE:** Minister, youth unemployment is a major issue in Australia. There are increasing trends in youth unemployment. There are changes at the federal level about youth access to support payments. The indexation of payments for senior citizens and their pensions is another issue. Part-time employment is increasing, as opposed to full-time employment. Housing affordability is becoming increasingly challenging. Those are major issues for your department into the future. It would indicate that there is going to be increasing strain on homelessness. What is the department's vision in tackling those important issues?

**Mr MANDER:** I thank the member for his question. It takes me back again to the Homelessness-to-Housing Strategy that we delivered last year. We are really trying to tackle this problem head-on. As I have already mentioned, we have under construction at Redcliffe a 20-bed supported accommodation facility, which will be very welcomed by the local providers down there. They were very excited when I spoke to them and they talked about the great need at Redcliffe. You might remember about a year ago there was a story in the local press about people staying under the bridge there near the Hornibrook Highway. There was a little community of people that were obviously in distress. The facility that will be built in Redcliffe will be very well received. That will not take too long to be finished. We have a facility being built at the moment in Cairns, Douglas House. It was sitting there not being used. I think it was the former headquarters of the Red Cross. It is a great facility that just needs some refurbishment. I am hoping that in the next couple of months that will be finished. I will announce another 20-bed supported accommodation facility in Townsville. I visited Cairns a couple of weeks ago to see a block of land there that I believe can be developed, which will provide another 20-bed supported accommodation facility. That is half of what we have promised in Cairns. We will deliver another 20 beds there as well. Those things have happened.

I mentioned earlier that we have extended the Street to Home Program to make sure there is additional accommodation for those who are literally living rough on the streets. One of the important developments that is taking place is the triage system. I mentioned this briefly before. We have quite a few homeless community organisations that do a really good job. Most of them are quite small. Most of them have started because they saw a little niche in their area and they responded to that need. We deliver, I think, approximately 230 programs through around 145 organisations. Those figures might not be exactly right, but it is thereabouts. One of the issues that we have is that we do not really have a coordinated strategic approach. Yes, there are some good partnerships that take place amongst those organisations. Some of them are a bit more isolated than others.

My aim is to make sure that we can get a far better coordinated and strategic approach, not to reduce the level of expenditure or reduce the level of money that we invest in this area but to make sure that we get better value for what we have at the moment. The sector recognises that. They are actually all for it. We are seeing some good partnerships happen already. I am confident that once the triage system has been trialled and worked through, we will have a far better coordinated approach to address some of those homelessness issues that we have across the state. I encourage the member to have a read of this document. There are some good things in there and we are busily trying to implement the policies that we announced around 12 months ago.

**CHAIR:** I call the member for Bundamba.

**Mrs MILLER:** Thank you very much, Chair. I refer to SDS pages 3 and 9 and my question is to the director-general. This is in relation to the new absentee policy. The opposition has been contacted by Yvonne, who had to have her garage door fixed by your department. She was not told, I understand, when that was to occur. Yvonne was away visiting her family for a few days when the repair person came to fix her garage door. On her return, officers of your department demanded to know where she had been and what she was doing, and they have instructed her that she has to fill in a form every single time she goes away. Yvonne, like many public housing tenants, is very concerned that your department is setting up like a special branch or departmental peeping Tom. Can you advise me how your department intends to enforce this new policy? For example, will you have officers going around knocking on doors to see if people are home or if they are not, and if they are not home that you will take the houses from them?

**Mr Castles:** The clear policy is that tenants are only required to notify a department if they plan to be absent from 14 days to three months.

**Mrs MILLER:** So in the situation of Yvonne, where she was not away for 14 days, she need not have filled out that form in any case, because she was not away for 14 days; is that right?

**Mr SHORTEN:** Why don't you provide Yvonne's address to the department?

**Mrs MILLER:** Don't you tell me what to do.

**CHAIR:** Order, please! Let the DG and the minister answer the question.

**Mr Castles:** We would need to get the specifics of Yvonne—

**Mrs MILLER:** I am happy to provide it.

**Mr Castles:**—to address that issue.

**Mrs MILLER:** That is an important issue.

**CHAIR:** Member for Bundamba, the matter has been taken up and they will come back to you. Next question.

**Mrs MILLER:** SDS pages 3 and 9: I have been contacted by many elderly residents in public housing and a lot of those elderly residents have looked after the housing department homes very well, over decades for some of them. We have a situation where Barbara from Bundaberg has contacted us to say that she had to look after her grandchildren for two weeks, but unfortunately that blew out to four weeks. She understands this new policy. She goes out to Longreach every Christmastime to visit her sister. She has now been told that she cannot go to Longreach to visit her sister at Christmastime. Her view is that this new policy is like Campbell Newman's Christmas Grinch policy. I am wondering whether there is any leeway for families to visit their friends and relatives during Christmastime? After all, director-general—

**CHAIR:** You have made the point. I call either the director-general or the minister.

**Mr Castles:** I have to correct a previous thing I said. With respect to leave of less than four weeks, people have to notify—

**Mrs MILLER:** That is right.

**Mr Castles:**—rather than apply. That is one thing. Clearly, the other issue you may have, officers of the Housing Service Centre do have discretion if there is very good reasons for the discretion and if it does go over.

**Mrs MILLER:** Just as a follow-up in relation to Christmastime, it is normal in Australia, Director-General, for people to go home for Christmas. My understanding is that even though the Public Service shuts down during the Christmas/New Year break, which has been normal for many years, is there any situation whereby public housing tenants are not able to go home for that Christmas break? It might only be two or three days. In other words, is there going to be any leeway in the policy? I know that you said that it is up to the regional manager, et cetera. Are you going to give guidelines in relation to Christmastime, which is so special to families?

**Mr MANDER:** I will answer that question. The policy is quite clear: it has been mentioned already, and this is the message that public housing tenants have received, that they can have up to four weeks away per year. If they are going away at Christmastime, they plan that they are going away at Christmastime. That is part of the four weeks. If there are compassionate grounds for somebody to exceed that period, the policy allows discretion for the local Housing Service Centre manager, or wherever the delegation lies, to make that particular decision. It is a policy that will be used appropriately and compassionately where it is required, but the clear message that we are telling people in social housing is that four weeks leave is what the norm is and for anything over that you will need to receive approval and you need to have good reason to receive that. If you want—

**Mrs MILLER:** Can I just ask a follow-up, Chair?

**Mr MANDER:** If I can continue?

**CHAIR:** Yes, Minister.

**Mr MANDER:** If you want to have more flexibility with regards to your leave and that type of thing, you are more than welcome to go out into the private rental market and do whatever you want. But when you are in heavily subsidised public housing and when we have 18,500 people on the waiting list, it is important that those who are in houses are those who have the highest needs. That is the driver behind this policy.

**CHAIR:** Thank you, Minister. Member for Bundamba?

**Mrs MILLER:** Chair, just as a follow-up to that, in practical terms it seems as though the department is treating tenants like they are employees, but in relation to Christmastime it seems to me that now families or tenants in public housing properties will need to get their families to come to them. Is that the practical—

**CHAIR:** Member for Bundamba, that is incorrect. That is a ridiculous—

**Mrs MILLER:** No, that is the practical intent of the policy.

**CHAIR:** For heaven's sake, we need to have a bit of—

**Mrs MILLER:** I will ask the director-general.

**Mr MANDER:** I will take that as a comment.

**CHAIR:** That is a credible process—

**Mrs MILLER:** So is this.

**CHAIR:**—and if you want to keep on making up things like that—

**Mrs MILLER:** No.

**CHAIR:**—it is ridiculous. Next question.

**Mrs MILLER:** Director-General, I would like to ask you a question in relation to a situation whereby, for example—Chair, can I go back to Christmas?

**CHAIR:** No.

**Mr MANDER:** Is this a hypothetical, Mr Chairman?

**CHAIR:** Next question, Mrs Miller.

**Mrs MILLER:** Thank you, Mr Chair. Minister, I refer to SDS pages 11 and 24, which for the benefit of my colleagues on this committee relate to user charges and fees. Minister, earlier today you stated that any increase for rents will be capped at \$7.50 a week, but you do not say whether this cap will remain indefinitely or whether there is a cut-off. My question to you is this: if the LNP is re-elected, will this cap miraculously disappear or is there another cut-off time?

**Mr MANDER:** I thank the member for the question. It is quite clear what we are doing at the moment. The next time that somebody's rent is assessed, which will happen over the ensuing 12 months, we will be looking at their income, as always is the case, seeing what circumstances have changed and now looking at some of the allowances that they have received in the past that were previously non-assessable to see which ones of those will become assessable. Once that calculation is made, if you like, there will be a notional rent that they should be paying. If that exceeds a \$7.50 increase as it relates to the new policy of assessing new allowances, their increase will not be more than \$7.50 for that particular policy and that will increase every year by an additional \$7.50 if it is necessary to bring them up to the rate that they should be paying until they get to that stage. As I mentioned, for some people it will take 10 years to get to that particular figure. That will just continue until they do get to the notional figure they should be at.

**CHAIR:** Thank you. Member for Bundamba?

**Mrs MILLER:** I refer again to SDS pages 11 and 24, user charges and fees. I am concerned about how the department is going to actually look at what is income and what is not income. We have been contacted by a public housing tenant named Keith who is a Vietnam War veteran. He receives a Department of Veterans' Affairs special rate of disability payment and he also receives a service pension. Keith recently received a letter from the department indicating that his rent will increase. He understands that his rent is currently calculated on his service pension but he does not believe it should include the DVA special rate of disability payment, which is, in fact, compensation and is not a social security payment. This brings about the issue of workers compensation payments as well as personal injuries payments. Can you please rule out compensation payments of returned soldiers being viewed as income when calculating the rent payable to the housing department?

**Mr MANDER:** Yes, the disability pension, the DVA, will not be assessable.

**CHAIR:** The time has expired. I now call the member for Morayfield.

**Mr GRIMWADE:** Minister, on page 4 of the SDS it mentions a Housing Assistance Triage Pilot Program, which you have mentioned a few times here today, and I ask: will this program be used across the state and what advantage will it have in my electorate of Morayfield?

**Mr MANDER:** Thanks for the question. You are right, I have mentioned this a little bit. Let me give you some more detail. It is actually being trialled down the Gold Coast at the moment. The Gold Coast has had a very good history of community housing organisations and homelessness organisations working together. We felt that this was a natural place then to conduct a new trial of the triage system. One of the things I have not mentioned is that there is a new IT platform that we will be



using which is called SPDAT. At the moment what that stands for escapes me, but I am sure somebody will give me that in a few moments. The SPDAT program helps us assess people's vulnerability and find out what their real issues are and why they are homeless. This is important because we find that sometimes people seeking housing assistance come to a community housing organisation or a housing service centre and if there is not good analysis done early, they can be either overserved or, alternatively, underserved. So we could provide more services than actually required. Sometimes somebody just needs help for a couple of days. Some people just need help to get a bond loan, rather than being put in accommodation which in the past has been an overservicing option.

SPDAT, which is the service prioritisation decision assessment tool—easy for some to say—is the IT platform that we are using that helps us assess consistently right across the sector. The whole idea is that this tool will be used by housing service centres, homelessness centres and community housing organisations. They will get this consistent common assessment and then very, very importantly we will be able to track people through the system. Often what happens in this space is that people go into one organisation, they receive their services for a period of time and then they leave the system. Then they come back in a month's time and go somewhere else. No history is recorded anywhere. They have to go through the frustrating experience of going through their life story again. This service will enable us to have good records and consistency in assessment. We will also be able to case manage far better in the future when we have all this information. Yes, it will be trialled at the Gold Coast. The early reports are very encouraging. We will be implementing this across the state as part of our regional planning process.

**CHAIR:** On page 4, dot point one, it mentions assessing 200 providers. Can I ask what are the benefits of the NRS and how does it complement the Housing 2020 Strategy?

**Mr MANDER:** The national regulatory scheme is something that has been in effect since 1 January. As its name implies, it is a national scheme that has been put into place to make sure that community housing providers have the capability to take on the challenge that I mentioned earlier in our state of taking on 90 per cent of management of tenancy and property management. It is a national scheme. This is not just happening in Queensland; it is happening across the nation. Approximately two years ago, a little bit before we came into government, the states made a commitment at COAG that they would all aspire to reach the point where 35 per cent of their properties are managed by the community housing sector by the end of 2014. We currently stand at 25 per cent. When Logan takes place and the Gold Coast will take place not long after that, from memory that will be an extra 15 per cent, which will take us up to 39 per cent. So we will be exceeding that target. I do not believe any other state is anywhere near that as they have not been as ambitious as we have been.

The national regulatory scheme ensures that interstate providers will have the opportunity to cross borders. That means that Queensland organisations will also be able to operate interstate. So it provides good opportunities for them. It also provides some comfort that the governance structures and the financial systems are appropriate for the level of management that they want to be involved with. Our registrar at the moment is currently going through 200 applications to enable these people to be, for want of a better word, qualified to be involved in the management of property. It is a good thing. It gives comfort to government as well that the organisations have met those benchmarks. It has been great for the community housing organisations. Many of them have come to me to say, 'This is what we have needed to ensure that we increase our capability and capacity.' So it has been welcomed by the community housing sector as well.

**CHAIR:** I want to ask a question about the manufactured homes act. SDS page 4 talks about stakeholder groups being consulted to fully consider the options and impacts prior to the release of a regulatory impact statement. Could you give some details on that?

**Mr MANDER:** Thank you for that question. It is really important that we look at this space, both the retirement village space and the manufactured homes. There are thousands of older people who are now taking up this option of being in a manufactured home as not only an affordable way to live out their retirement, but also quite a pleasant way considering some of the communities that are about. We have gone out and consulted with stakeholders as we look at reviewing the manufactured homes act. It is an act that has some contentious components to it. It is also an act that arguably has not kept up with the changing nature of manufactured homes. I think most of us think of manufactured homes as those rectangular box homes that you see in some of the manufactured home parks that, of course, are very transportable; they can literally be taken away. Let me tell you that this space has developed dramatically in recent years. There are some manufactured homes now that are worth

\$750,000 or \$800,000. Quite cleverly, the owners and operators of these parks have managed to keep those within the specifications of manufactured homes. When you go there, it is like going to some sort of oasis—and I have visited many of these. The residents there are incredibly happy with this. You have quite a diverse breadth of different styles of homes and it is important that the act reflects that. If you own a property that is worth \$80,000, you will face different issues compared to someone who owns a property that is worth \$800,000.

We have gone out—and I personally have gone and visited many manufactured home parks across the state—and had forums with residents. It has been a great experience to hear directly from people about some of their frustrations with regard to the way that electricity is charged. They all lament the changes that were taken by the previous government. In that case, a clause was put into the act with no notification or consultation that has caused absolute havoc to the way electricity charges are levied. It has caused a lot of friction between operators and residents. It is important that we address that issue and many other issues as well.

We put out some survey forms. The department received 1,100 responses containing 7,000 comments. As you can imagine, people are very passionate about where they live and they are very forthright in their comments. Of those respondents, 88 per cent were 65 years of age or over. It is important to note that there has been a substantial increase in the number of manufactured home owners, from an estimated 15,000 in 2007 to approximately 24,000 in 2013. So I do not want to rush into these decisions. I want to make sure that we reform this legislation in a manner that is proper, and we are doing it at the moment.

I put together a little working group of representatives from manufactured home residents and also from village operators. I have put a little group together and I have a representative from the Manufactured Home Owners Alliance, the Manufactured Home Owners Association, the Associated Residential Parks Queensland and also representatives from the legal profession in the Law Society, Minter Ellison and Park and Village Information Link. I should mention—and I have not mentioned it at today's hearing—that we have introduced a new service to those in manufactured homes in retirement villages called Park and Village Information Link, PAVIL. People who are a little bit uncertain about their rights, how the act actually operates or what are some of the responsibilities of villages now have this one-stop shop of going to PAVIL to get this advice. Most people have welcomed that because it is an area in which people need some reassurance.

My working party is currently looking at all these information sheets that have come back with the discussion paper that went out. They will be coming together with some recommendations to me. We will make sure that we go back out to the relevant community again and ensure that people get an opportunity to talk about the things that affect their everyday lives.

**Mr WOODFORTH:** Minister, I note on page 4 of the department's Service Delivery Statements the government's commitment to the delivery of new housing in remote Indigenous communities as part of the National Partnership Agreement on Remote Indigenous Housing. Can the minister inform the committee of the government's achievements in 2013-14 in this area?


**Mr MANDER:** Thank you for the question. I have mentioned the NPARIH scheme a couple of times in this examination. This is an area that brings about great satisfaction to me and to the departmental officials in my department as well. We are really committed to helping reduce overcrowding in Indigenous communities. I have been to many Indigenous communities in my role as the minister. It has been great to see the relief that people have been getting after they have received a new house. I still remember when I delivered some keys to a family in Aurukun. The family consisted of three children, a mum and a dad. The mum was in tears when she received the keys. She had never had her own property before. She was living in the house next door, eagerly watching the construction of her house. There were 18 people living in that house. She talked about the pressure that brought about, the difficulty for children to be educated properly in those crowded conditions, the difficult health situations that emerged and just general social cohesion and the absence of an opportunity to just have some space to yourself. She was very excited by that. I hear story after story along a similar line as I go to these communities.

Last year we met the target of 175 new construction completions. I want to congratulate the department on doing what some people felt was impossible because of the weather conditions and some of the delays through no fault of their own—trying to get some of these houses on barges in rough conditions. They did a fantastic job in delivering this. That was a great result. We have also met the target of 308 refurbishments in this area as well.

It has been a great program. The program continues. We still have many more houses to deliver. Our hope in the future is that we will continue to involve the local Indigenous councils more in the delivery of these houses so that we can also provide some employment opportunities for locals in those communities.

**CHAIR:** Thank you, Minister. The committee will now adjourn for 30 minutes. The hearing will resume this examination of the estimates for the Minister for Housing and Public Works at 11.16 am.

**Proceedings suspended from 10.46 am to 11.16 am**

 **CHAIR:** The estimates hearing of the Transport, Housing and Local Government Committee will now resume. We will continue with the examination of the estimates for the Minister for Housing and Public Works.

**Mrs MILLER:** I refer to page 44 of the SDS, and this question is to the minister. Minister, I note from the figures on page 44 that you or your department will be sacking another 237 staff from Building and Asset Services which will take the total number of staff lost from QBuild and Project Services to 1,995 since your government came to office two years ago. Can you seriously say that sacking nearly two-thirds of the workforce has not had a serious negative impact on the agency's ability to conduct its core business?

**Mr MANDER:** I thank the member for the question, but again I think this question needs to have some context put around it. Mr Chairman, you will remember the financial mess that this government inherited when we came into government—a financial mess that involved increased government spending of eight per cent and nine per cent per year over the previous eight or nine years before we came into government, spending that was out of control that contributed to this \$80 billion debt that we have today. That meant that this government had to make some very hard and tough decisions and, as the member knows, one of those decisions was to reduce the size of the Public Service, and my department was part of that process. I can say quite confidently that over the last two years, even with reduced staffing levels, this department is operating more efficiently than it has ever operated. We have had some wonderful results of late because of a far more effective way of operating, a far more efficient way of implementing policies and a far better way of engaging with the business sector. We have now outsourced a lot of work that is done by our department—and I will give more detail about that later; I am sure I will get an opportunity to do that—and that has built capability and capacity, particularly in regional areas, which has been lacking for many years. So the short answer to the member's question is that, yes, I do have confidence that, even with the reduced staffing, we are not only matching what was done in the past but we are exceeding that with regard to efficiency and effectiveness.

**Mrs MILLER:** I refer again to page 44 of the SDS and also to comments made by the Premier in December 2012, which I will table in a minute, when he said that there would absolutely be no more job cuts. It was about 18 months ago that the Premier said that. Someone is telling porkies here, because the Premier said that there will be absolutely no job cuts and yet in this document before us it says that there are going to be another 237 job cuts. Minister, I would like you to comment on that and I would also like you—and you can take this on notice—to let the committee know the position titles, the levels and the locations of the 237 job cuts that are going to affect the employees and their families of Building and Asset Services. But, first of all, I would like your comments in relation to the Premier's statement.

**Mr MANDER:** I will refer to what is relevant to my department, Mr Chairman, and let me say now—

**CHAIR:** One second, Minister. The member is tabling a document. Is leave granted? Leave is granted.

**Mr MANDER:** Sorry, Mr Chairman, but what was that document?

**Mrs MILLER:** I tabled the Premier's press release.

**Mr MANDER:** Thank you. Let me say now that no-one has been sacked from Building and Asset Services. What has been happening—and this is quite an exciting development—is that as the department has moved away from being a direct provider of services to being an enabler of services our expertise now has moved to being a manager and procurer of contracts. What has happened there is that there are more and more opportunities being given to local contractors—local businesses, mums and dads and tradespeople—out in the community, and again let me emphasise particularly in regional areas where there has been a real need to increase capability and capacity out there. Of course, this has happened in the Building and Asset Services area. What has been

happening is that people working for BAS have seen the opportunities that are being provided to private contractors and have seen that this is a great opportunity for themselves to be involved in that work that is being outsourced, so they have been coming to management seeing this opportunity and asking for voluntary redundancies because they cannot wait to get out there and take advantage of these opportunities. So one of the major reasons there has been reductions is because of the opportunities that people have seen who are very eager to take hold and we are happy to help them have a better opportunity in life to be involved with this work and they are leaving very happily.

**Mrs MILLER:** I refer to the SDS at page 89. Minister, in 2014-15 the QBCC will finalise the review of the Queensland Home Warranty Scheme, and I notice that there are no performance statement measures or data on the Queensland Home Warranty Scheme. Can you please provide the committee with data on the number and the value of claims approved across the categories of defects, noncompletions and subsidence for the 2013-14 financial year and the forecast number and value of claims expected to be approved in relation to defects, noncompletions and subsidence for the 2014 financial year?

**Mr MANDER:** If there is one area of reform that has happened in my department that really gets me excited, it is the reforms that have taken place in the old BSA, the new Queensland Building and Construction Commission. As the member has mentioned, the Home Warranty Scheme was one of the areas that was to be examined and part of the 10-point action plan that we introduced to bring about the reform that was necessary in the building regulation area. We are happy to say at the moment that since the QBCC has been in place there have been 949 or 20 per cent fewer disputes received by QBCC in 2013-14 compared to 2012-13.

The Home Warranty Scheme was recognised as being probably the best scheme in the country—not probably; it is the best scheme in the country—and other schemes in other states have fallen over, some of them where the government has come back and been involved with it again. It was deemed by the working committee that I had put together and subsequently the board that the Home Warranty Scheme really needs to basically stay the way that it is and we have been looking at where we might be able to extend the cover for those who would like to have extra cover and also looking at whether other things can be included in the Home Warranty Scheme, and one of those things is swimming pools. Swimming pools at the moment are covered if it is part of the construction of a new home, but if it is separately constructed they have not had cover under the Home Warranty Scheme and we are looking at changing that. The member has actually asked quite a detailed question, so I may take that on notice and we will provide that information in due course.

**Mrs MILLER:** Thank you very much. I refer again to page 89 in relation to the QBCC. Minister, I would like to ask about the process for the appointment of the commissioner and I would like an explanation in relation to the recruitment process which was used to appoint the commissioner—for example, was a recruitment agency involved and, if so, how much did that cost? I would also like to know whether the QBCC is paying for accommodation for the commissioner because he is from New South Wales and whether the QBCC is paying for a car allowance even though he has access to a QBCC vehicle. I want to know whether you have approved these in the conditions of the contract of employment and do you think that these conditions are appropriate?

**Mr MANDER:** Just as a point of clarification, it is important to know that Mr Griffin, the new commissioner, is actually a Queenslanders. He spent some time in New South Wales and he has come back, and he is happy to be back, by the way. We did go through a very detailed and transparent process with regard to the appointment of the commissioner. We advertised and received some very good applications from both within Queensland and from around the country. This was a job that was highly sought after—there was tremendous opportunity here—and we made sure that it was advertised widely and that anybody had an opportunity to be part of that application process.

Mr Griffin was selected, and let me say here this is where there is a distinct difference from the past governance structure of the BSA and the new QBCC. There is now a fully functional, professional operating board that is responsible for the governance of the QBCC. They are the ones that make the appointment of the commissioner. They are the ones that set the conditions of employment and they are totally responsible for all those matters. I would just like to say that from my experience I think that the appointment has been an exceptional appointment. We have already seen tremendous improvement in the way that the QBCC has operated. There has been fantastic stakeholder engagement. We have implemented some changes, which I am sure I will get an opportunity to elaborate on as this hearing continues, that have brought about massive improvements in process for both consumers and for builders. We constantly get very positive feedback about the changes that have taken place and I am very happy about that appointment. I have been advised that

the vehicle is part of the package and I have also been advised that there has been rent assistance provided for the first six months, which is not an unusual practice at all. Again, these were decisions that were made by the board.

**Mrs MILLER:** Just as a follow-up to that answer, could you please detail the conditions of appointment and employment which you have approved, including remuneration and other benefits being paid and provided to the commissioner whom you appointed, and indicate whether this would include any expenditure by the QBCC for the commissioner's personal benefit? You can take that on notice, if you like.

**Mr MANDER:** Of course I do not have an in-depth knowledge of the package and associated benefits that have been given to the QBCC. I am happy to take that on notice and provide that information.

**CHAIR:** Minister, on page 3 of the SDS it demonstrates the government's continuing commitment to improving the way your department operates. Can you inform the committee about the reforms and the overall benefits that you and your department have been making and the flow-on effect of those?

**Mr MANDER:** Thank you, Mr Chairman. I would be delighted to talk about some of those reforms. As I mentioned earlier, a mess was inherited from the previous government. The Queensland Commission of Audit identified the need to transform the Queensland Public Service in general to be more efficient, to be renewed and to be refocused, making sure that we realise savings for all agencies and really drive transformational cultural change through the organisation.

In July 2012 the whole-of-government public sector renewal program was established. This renewal program aims to deliver on the government's vision for the future of Queensland. The Department of Housing and Public Works has been at the forefront of this renewal program, having reviewed most areas of the department. We are currently transforming the way that services are provided. The department is now being transformed into an informed and aggregated purchaser and contract manager, delivering fewer in-house services but maintaining the expertise and capacity and continuing to drive value for money to make sure that we have efficient and effective delivery by a variety of providers.

Some of those reforms include delivering government employee housing through a whole-of-government centralised model. We have reformed the government car fleet. We have reduced the amount of government accommodation space that is required. We have been leading the procurement transformation program and securing greater value for money outcomes by implementing smarter sourcing strategies and practices and also building capability. We have been reviewing building policy regulations in order to reduce red tape. We are very confident that we will be able to reduce the level of taxes that are required to deliver these services, we will be able to reduce the cost of doing business for firms using those services, we will be able to reduce the relative size of the public sector and we will be able to reduce competition for scarce skilled labour and capital. Major reform has taken place. I am sure that I will get an opportunity to elaborate on some of those things in the course of this hearing.

**CHAIR:** On page 9 of the SDS it refers to the government's continuing efforts to revitalise front-line services in the area of procurement. Can you advise the committee what changes have been made to deliver a better procurement model? What benefits are there to industry in terms of reduced red tape and what is the estimated monetary benefit to business in terms of tendering for government business each year.

**Mr MANDER:** Thank you for that question. I mentioned before that some of the reforms that have taken place for QBCC have been very exciting. I have to say that I am equally excited about the reforms that have taken place in the procurement area.

This government spends around \$16.3 billion annually. It is very important that we get the best value for the taxpayers' dollar. It is very important that we spend that money in a way that is transparent and open and that we give businesses an opportunity to engage with government in a far easier way than they have in the past.

The procurement of the past was one that was overbureaucratic and overprescriptive. It was not a one government approach but an agency-by-agency approach. You could be dealing with the education department and then the next day dealing with the transport department and it would be like you are dealing with two different organisations. It was very frustrating for business.

We had the same processes for a \$50 million contract as we had for a \$50,000 contract. It was really very hard to do business with government and very costly. The tendering process was far too long. One example given to me was of a contract taking 2½ years to deliver. We now have the average process down to around 90 days. Again, it is far easier to deal with government from a business perspective.

We have totally transformed the way we do procurement. Today, the procurement policy is two pages long compared to the 36 pages that it used to be. It is outcome focused. It involves dealing with the client at a fair earlier stage than we have ever done in the past. We have been far too prescriptive when we have gone to the market—telling people what we want and failing to understand that the market actually knows what is better for us more than likely because they have the expertise. So by dealing with them at an earlier stage it means that we can get better results. It means that businesses and contractors are not as frustrated as they have been in the past. So there has been a heavy focus on engaging with regional suppliers. This has been very welcomed.

We have a one government approach now. Where we can act as one government we do that. At the very least that happens in terms of policy but also in the way we procure. For example, in my department if there was work to be done at a school, a courthouse and a hospital in a local regional area then in the past all those things would be done separately. It was ridiculous. So we are now bundling that work together. It is making it far more cost effective for government. As importantly, we are providing pipelines of work for local businesses that are in those regional areas and realise that there is a viable market of work for them to do in the future. We are also providing more transparency about future work that is available so people can make informed decisions on whether they tender for something now or something coming up in the future. They may wait for an opportunity in the future and not waste their valuable resources on a tender that they may not get. They can look ahead.

In general, there has been a major culture shift. We are also training up our people in procurement right across the state. It is a particular expertise that in the past has probably not been as valued as highly as it should be. It means that over the next five or six years we potentially could save anywhere from \$600 million to \$1.3 billion in purchasing because of the new practices that we have introduced. I am very excited about that. Later on I would like to give you a bit more detail about some of the benefits that we have received.

**CHAIR:** I call the member for Morayfield.

**Mr GRIMWADE:** I refer to page 42 of the SDS where it outlines that Building and Asset Services has continued a process of reform and revitalisation of front-line services. Can you advise us of the value of the work now being put to market for local suppliers? What was the amount that was put to market by the former government?

**Mr MANDER:** Thank you, member for Morayfield, for your question. As I mentioned earlier, this department has moved away from being a direct provider of services to being an enabler and being a manager and procurer of contracts. That is very evident in the Building and Asset Services area. In 2013-14 approximately 88 per cent of trade based services, with a total value of around \$625 million, was undertaken by the private sector. This is an increase of 13 per cent from the level of outsourcing under the former government, which was approximately 75 per cent.

In 2013-14 approximately 65 per cent of building consultancy services, with a total value of around \$38½ million, was undertaken by the private sector. This is an increase of 28 per cent from the level of outsourcing under the former government, which was approximately 38 per cent. One hundred per cent of building and construction on capital work projects managed by Building and Asset Services is outsourced. In 2013-14 approximately \$964 million of work was delivered through the private market.

As you can see, member for Morayfield, we are doing everything in our power to make sure that local businesses and local contractors have an opportunity to be involved with government work. We have seen some wonderful results. It has been welcomed by the private sector overwhelmingly.

**Mr GRIMWADE:** Page 43 of the Service Delivery Statement states that an estimated \$72 million of backlog maintenance was delivered through our Advancing Our Schools Maintenance program in the 2013-14 year. This is \$6 million more than was delivered in the 2012-13 year. What new processes have been used to increase output in this way? Would you follow on with regard to the benefits in allowing schools the freedom to choose between Building and Asset Services and the private sector in their local community?

**Mr MANDER:** Thank you for that question. This again is another exciting measure by the government. All of our local school communities have benefited from the government's commitment of \$300 million to rid ourselves of the backlog of maintenance that was needed in our schools. We want our schools to be safe. We want our schools to have a pleasant appearance. We want our schools to be a happy place to be in. One of the ways that we can do that is to make sure that the buildings are maintained to a suitable level.

If I can talk about some of the figures that relate to this particular policy, there has been a \$6 million difference between the 2012-13 and 2013-14 financial years. That difference was based on agreed client expenditure at the time of the production of the SDS based on work totalling \$66 million and \$72 million respectively. Final figures for the two years are \$68 million and \$72 million, indicating an increase of \$4 million rather than \$6 million.

There has been increased outsource delivery in this area. In total throughout 2013-14 approximately 88 per cent of all trade based maintenance services, with a value of \$625 million, were undertaken by the private sector. This is an increase of six per cent from 2012-13.

Previously contractors were required to tender individually for separate packages of work. But under new arrangements, only one tender sheet is required for all packages that contractors tender on. This has been welcomed in our schools because state schools now have the option of procuring maintenance services through the department or by going directly to the market. The benefits of this have been well received.

It has enabled schools to be more empowered in making decisions. It has also developed further the autonomous business service management that happens within schools. It also supports value for money outcomes through local decisions making and providing opportunities for schools to engage directly with industry.

The school satisfaction level with these processes has increased from 65 per cent to 82 per cent. That is quite astonishing. We all have the horror stories that school principals have told us about their experiences in the past with QBuild. They are now quite delighted with the options that they have and the improved services by Building and Asset Services when they do choose to work through the department. So that has been very encouraging.

We will continue to give the options to schools to be able to use Building and Asset Services facilities or to go directly to the market. I know from my experience that different schools have different ways of looking at things. This allows local decision making. Some principals of some schools want to be very involved, and other schools are very happy to leave it to the department to organise those things. So it has been a very successful program.

**Mr SHORTEN:** Minister, you have spoken previously about the government's procurement direction. Can you elaborate a little more on the government's Procurement Transformation Program, which is outlined on page 17 of the SDS?

**Mr MANDER:** I am very happy to do that, member for Algester. As I mentioned, when you spend around \$16 billion a year it is important that we do this well and do this as efficiently as possible. We have done a number of things to bring about this reform to make sure it has been easier for business to do work for us. One of the things we have been doing—and I will be doing this tonight on the Gold Coast—is travelling around the state having engagement sessions with local builders and local contractors who have had government work in the past or who are looking for the opportunity to be involved in government work. This has been very well received. Tonight I think 140 people have registered as coming. They are very keen to hear about the changes we are making and this will give them an opportunity to talk to us about some of the frustrations they have had in the past. I will have people from Building and Asset Services and people from procurement there. We will answer their questions and tell them about the changes taking place. People have been welcoming those changes and putting their hands up to be involved with some of the contracts or saying they are available. So it has been a great engagement process there.

We have had a working group in Cairns with the chamber of commerce where we are meeting regularly with small business. Again, it is a far better opportunity to engage with government, to tell us about their frustrations and how we can make it easier for them. We are about to introduce a concept called Tea for 10. Small groups of our building and assets staff around the state get small groups of contractors together so we have that ongoing engagement, so they understand what the government is trying to achieve and so they can provide some solutions for us which will save a lot of frustration and a lot of money.

I mentioned earlier we are acting as one government with our purchasing. It is no use the department of education buying photocopy paper and the department of health buying photocopy paper when it can be done right across-the-board. We have to work as one government to get the best bang for our buck with smaller things like that. But, importantly, it is about making sure the policy is consistent so business have confidence when they deal with a different department they are dealing with the one government and they are not getting any surprises about that.

We are encouraging industry to submit alternative solutions for some of the work that we have. Again, we are being outcome focused. We want people to be innovative and have fit-for-purpose tenders, and they welcome that opportunity. As I mentioned earlier, we are engaging far earlier with the industry as well so they can be part of the solution and we are giving industry a forward-looking program of works so they can apply for contracts that they want to and others that they want to wait for. We aim to get far better value for taxpayers out of this and far better value for money from our services and we want to be able to deliver good services. We are also about reducing red tape and cutting wasteful expenditure and being authentic and transparent. They are some of the things that are taking place to bring about a better procurement transformation process. We are already realising some great benefits, saving some significant amount of money. As we continue this program we will see even better results in the future.

**Mrs MILLER:** Minister, I refer to page 3 of the SDS. On page 3 it mentions the need to develop effective systems, processes and governance structures. I also refer you to the department's ICT dashboard and specifically the process and technology work stream project. This project is rated as amber for both time frame and cost, meaning that it is anticipated it will exceed tolerances for both these measures. The project budget has blown out by more than \$1.6 million or 100 per cent to now \$3.3 million. The time frame has also blown out. Can you please advise the committee when you first became aware of the blow-outs of this project? What is being done to rectify the problems? And can you assure the committee that there will be no further delays or cost increases associated with this project?

**Mr MANDER:** Can I clarify the name of the system again? Which system was it, please, member?

**Mrs MILLER:** It is the process and technology work stream project.

**CHAIR:** What page of the SDS is it?

**Mrs MILLER:** Page 3. If you go halfway down it states—

To deliver services and continue the department's reform process, the department will continue to focus on ...

And the fourth dot point states—

Developing effective systems, processes and governance structures.

**Mr MANDER:** Thank you for that clarification. It is a lot clearer now.

**Mrs MILLER:** The chair wanted to know.

**Mr MANDER:** No worries. I thank you and appreciate it. In a moment I will refer to the director-general, but before I do that we are really committed to making sure that our ICT services are top notch, in plain language. Again, we have inherited systems that have been outdated and have not been efficient. I had a briefing about FOPATS, which is how our rent is calculated and assessed in social housing. It is unbelievably complex and unnecessarily complex. What we are trying to do is simplify those processes and make sure we have systems that are up to date, cost effective and provide the solutions that we require. The travel management system is a very good example of that. It is a system that was not used anywhere near the level it should have been used. It did not realise the savings that were promised. That has been totally overhauled now. We have a new travel management system which has been very effective. With regard to the particular system that the member refers to, I will ask the director-general to comment about the progress of its implementation.

**Mr Castles:** I am not aware of the particular system. We will get back to you before the end of this meeting. I chair the information technology subcommittee of our department. We are going through a very comprehensive process of renewing our system. Recently we updated completely our desktop environment to modernise that. We are working on our new rent management system which is critical not just for the success of this organisation but ultimately also for the success of the outsourcing of housing to the community housing organisations, because we clearly want to have one system that is able to be utilised, if they need to, by all community housing organisations. So we will get back to you by the end of the meeting.



**Mrs MILLER:** So, Minister, you will take that on notice?

**CHAIR:** Member for Bundamba, can you clarify again exactly what the system is? What is the name of it?

**Mrs MILLER:** Oh, there will be more. The name of the first one is process and technology work stream project.

**CHAIR:** Next question.

**Mrs MILLER:** So that is on notice?

**Mr MANDER:** That is on notice.

**Mrs MILLER:** My next question is also in relation to page 3 of the SDS which I spoke about before, Chair.

**CHAIR:** Dot point 4?

**Mrs MILLER:** Yes, let us be specific, Chair. I refer to the iSpace stage 3, phase 2 project, which is also rated amber for time frame meaning that you are anticipating a blow-out in the delivery of this particular project. I would like to know how late the project will be and why? I would like to know when the minister became aware of problems with this particular project and what is being done to rectify the problems. I would also like to know whether there is going to be any further delays or cost increases associated with this iSpace stage 3, phase 2 project.

**Mr MANDER:** Thank you, member. I will allow the director-general to provide some detail. I will say, though, that the projects you have specifically mentioned and of course all the projects that the department is involved with are all part of an agency renewal board meeting that occurs on a monthly basis with the departmental officials which normally I chair. It is through that that we look at progress of projects and are given suitable explanations when things have not met the target deadlines that have been put in place. There is often good reason for these things. They are things that are out of our control. I think the director-general might be able to specifically talk about the iSpace project now so I will hand you over to the director-general.

**Mr Castles:** That is correct. The iSpace project is on hold. It is incurring no costs at the moment. Those costs are fixed. The main reason why it has been deferred is there are some issues that we are trying to negotiate better around the performance of the existing software with the provider of the software, which is Manhattan. Until such time as we can get these issues resolved, our view is that it is not of value moving forward with the second stage of the project. Whilst it is on hold, we are not incurring costs and there are some specific issues that we are addressing through that process.

**Mrs MILLER:** As a follow-up, when do you think it will go off the 'on hold' status?

**Mr Castles:** This process has been ongoing for a significant period of time. We expect to commence stage 2 in September 2014.

**Mrs MILLER:** I would like to refer to page 3 of the SDS, which we have spoken about in some detail. Going further, despite some projects being listed as 'green' on the ICT dashboard there have still been some massive cost blow-outs. Program One is supposed to reduce the number of operating environments by delivering one managed operating environment image across all desktops within the department. I understand this has had a budget blow-out of more than \$4 million from \$9.5 million to \$13.4 million. There is no explanation at all as to why there has been a 40 per cent cost blow-out. I ask the minister or the director-general to please explain to the committee why there has been a 40 per cent cost blow-out—an increase of some \$4 million?

**Mr MANDER:** I will direct that to the director-general in a moment. I think it is quite interesting that we are getting these questions from the member about IT programs. Of course I can understand your concern about that given the practices of the previous government which led to a \$1.3 billion Health payroll scandal that we are still feeling the impacts of where people were not receiving their proper pay or not being paid at all. There was the whole-of-government e-mail program introduced by Minister Finn at the time that went \$46 million over budget and was thrown out because it was useless. So I totally understand the member's concern about these things—

**Mrs MILLER:** It is important. You are increasing the debt and deficit.

**Mr MANDER:** She is very well qualified to talk about alleged blow-outs in IT programs.

**Mrs MILLER:** So are you. It is in your bailiwick.

**Mr MANDER:** I will ask the director-general to provide some information about that.

**Mr Castles:** The project was about modernising our office environment. Within the department we were using a desktop environment that went back to 2001. It was totally inappropriate for what we actually needed. The project has been implemented over the last 15 months. The outcome of that project has been very successful. People now have a modern desktop environment. It is an environment where we can move forward and continue to modernise the organisation. It is also an environment where we are able now to better communicate with our suppliers. So for suppliers who are out there in the field, we are rapidly rolling out applications that trade contractors can use on their mobile platforms like mobile phones, iPads and so forth. They can bill us and they can take calls from us so they can more urgently go out and do their work. To a large extent, that has been achieved through rolling out the desktop environment.

**Mrs MILLER:** Mr Chair, I know what the project is about—

**CHAIR:** Member for Bundamba—

**Mrs MILLER:** Thank you. My question relates to why it cost 40 per cent more. That is what I want to get down to.

**Mr Castles:** We will get back—

**Mrs MILLER:** You will take that on notice?

**Mr Castles:** And outline it.

**Mr MANDER:** We will take it on notice, yes.

**Mrs MILLER:** I have a question as well in relation to page 3 of the SDS. Minister, you spoke before that you are in charge of some committee in relation to ICT. So the buck—

**Mr MANDER:** But not in relation to ICT; in relation to all the projects that the department undergoes—ICT, everything.

**Mrs MILLER:** Okay. In relation to your role, the buck stops with you, does it not? So you are ultimately responsible for these?

**CHAIR:** Okay. Get to the question.

**Mrs MILLER:** Yes, that is my question.

**Mr MANDER:** What was the question?

**Mrs MILLER:** The buck stops with you in relation to these cost blow-outs and overruns.

**Mr MANDER:** Is that a statement or a question?

**Mrs MILLER:** No, I am asking: does the buck stop with you?

**Mr MANDER:** It sounds like an editorial comment to me.

**CHAIR:** Where is that in the SDS?

**Mrs MILLER:** It is page 3. Let us go through the SDS once more.

**Mr SHORTEN:** I do not see the minister's responsibilities outlined in the SDS.

**CHAIR:** This is not question time; this is estimates.

**Mrs MILLER:** I know.

**CHAIR:** If you do not want to go to the next question, I will pass it across to somebody else. You get one last chance.

**Mrs MILLER:** I am referring to page 3 of the SDS, which says halfway down, 'the department will continue to focus on' and the fourth dot point. The minister has already said that he is in charge of this committee.

**Mr MANDER:** I chair the committee.

**Mrs MILLER:** You chair the committee.

**CHAIR:** Fancy the minister being in charge! Come on!

**Mrs MILLER:** Ministers are responsible.

**CHAIR:** I call the member for Algester.

**Mrs MILLER:** What I am asking is: does the buck stop with you? Do not answer it. Good.

**Mr SHORTEN:** Thank you very much, Chair. Minister, you have spoken about the department building strong ties with industry. I refer you to page 42 of the SDS. Can you just elaborate a bit more on what actions the government is taking and have taken to build those stronger relationships with industry?

**Mr MANDER:** Yes, thank you, member for Algester. Thank you for that reasonable question. We have been very committed to making sure that we engage with business in a far more proactive way than has ever happened in the past. In fact, there has been very little intentional formal engagement with providers and suppliers in the past. As I mentioned earlier, I have been travelling the state with the procurement staff and with the staff from Building and Asset Services to talk to local businesses and contractors about the opportunities that are available, about the processes that have changed, and hearing about the frustrations that they have as well. Those regional supplier forums have been very, very successful and ones that we will continue to do. As I mentioned, I am going down the Gold Coast tonight to do another one. The department itself is being proactive also by running what I call tea for 10—little forums where they can do that locally with their local contractors.

I am really excited about another concept that I have not mentioned yet and that is ConstructionQ. The construction industry is one of the four pillars of the Queensland economy and it is very important that we do whatever we can as a government to stimulate the construction industry and probably, more importantly, get out of their way with unnecessary red tape and bureaucracy. So we are having a forum in September called ConstructionQ where we will have around about 300 participants from all sectors coming to really develop a plan for the future so that we can have some sort of strategic direction. We have already had a leaders forum, where there were around 70-odd leaders who came together over a day and a night to set the agenda for that particular forum. I am quite excited about the potential of that. It shows again that we are trying to genuinely engage with the sector. The sector has enthusiastically embraced it. As you can understand, people in this sector are straight shooters, they are very practical people, not interested in talkfests—nor am I—and they all left the leaders gathering quite enthused and really are ambassadors for the ConstructionQ forum that will be coming up shortly in September.

So we are committed to not sitting back in our offices and simply being prescriptive and overbureaucratic in the way that we are going about business. We are listening to business. We want to be the easiest government in the state to deal with, with less red tape, and I believe that we are delivering on that commitment.

**Mr GRANT:** Minister, I would like to ask a question about the QBCC—an area that I am quite passionate about as well. There are still some shonky builders out there in the industry. The QBCC began its operations on 30 November 2013. How will this body differ from the previous QBSA and what has been the response from industry?

**Mr MANDER:** Thank you, member for Springwood. I know that this is an area that you are very interested in and you have raised with me a number of times different issues. Of course, we are concerned for consumers who are going about a transaction, which, for most people, would be the most significant transaction in their lives and most people do not do it more than once. So it is important that they have confidence in the regulator and, as you say, in the system.

After we received your parliamentary inquiry results we then put together an expert panel to process 41 recommendations and from that brought about a 10-point action plan. I have already mentioned the first two points. That was creating the new commission and also creating a board that had the authority to go about their business.

Some of the results have been outstanding as we have made ourselves far more transparent, far more customer-centric and, I think, we are restoring confidence in the building regulator. We have introduced things such as an internal review of decisions. Now, if a decision is made by the QBCC and either the consumer or the builder is unhappy with that, they have a right of review, which they did not have in the past. One of the other things that we are in the process of bringing in and trialling at the moment is a rapid dispute adjudication process. As you would be aware, one of the great frustrations with the previous system was that people would be locked in dispute for quite a long period of time as they were waiting for a QCAT hearing—basically, their only recourse—and that caused an enormous amount of frustration and also added to cost when you are waiting nine months or a year for a chance for something to be fixed. We are already trialling our rapid dispute adjudication process. I think it was only a week or two ago that we started that. The first inquiry that came through that process took four hours to resolve—a great result—and there are some other great stories like that as well where in the past there was inaction, an inability to intervene. So we are overcoming that particular problem.

We are reviewing the role of certifiers at the moment. Certification is a very important issue—making sure that certifiers are accountable, making sure that there is no conflict of interest between builders and certifiers, making sure that certifiers are actually on the job site checking things out. We

are doing a review of that at the moment. We have already mentioned the home warranty scheme where we are investigating increasing the scope of the home warranty scheme so that people can get increased cover and so we include the construction of swimming pools under the home warranty scheme.

If you go to the QBCC website, at the moment it is a fantastic user-friendly website. We have Tom Williams heading up a series of videos for consumer education. They have been very well received as well. Of course, he is a very well-known personality and just adds that touch of familiarity as he deals with some of the issues for everyday Queenslanders.

The other great thing about the QBCC now is that there is a 24-hour call-in centre. So you can call the QBCC any time of the day. Of course, when is it that you are often checking out your building? It is at night-time or it is on the weekend. So we now have that service, which, again, shows the customer-centric nature of that.

More directly to your question, member for Springwood, about dodgy builders, we are looking at the demerit system that we have at the moment. It was quite alarming when I saw the statistics for the small number of builders who were deregistered. We have not been, I think, applying ourselves as much to that as we could in the past—or the system has not. So with the new QBCC, I am confident that, at the end, consumers will have far more confidence than they have had in the past that, when they engage a builder, this builder will be capable of carrying out the construction that they have been asked to do and also that they will have the recourse that is necessary if something does go wrong.

It is early days. The commission has only been in place since the beginning of the year. But there are some very encouraging results and there are a lot more changes to occur in the future as well.

**Mr GRANT:** I have a follow-up question. Probably a yes-or-no answer would suffice. Historically, for too long the QBSA could not intervene while ever there was a building contract still in force. Has the commission been able to change that practice yet?

**Mr MANDER:** Yes. That is part of the tranches that we are bringing in at the moment. Our overall aim is to have, of course, fewer disputes and when we do have disputes—inevitably, you are going to have disputes—resolve them as quickly as possible. We are looking at a mechanism or a process that basically says, ‘You can’t go to QCAT until you have tried to resolve the dispute through the QBCC processes.’ I think that is a very good initiative. We stop people who deliberately want to draw it out. So they will be forced to go to resolution far earlier. We have talked about the review of the decisions that can be made—if you have had a decision made and you were not happy with that.

The other thing that we are looking at is enacting the insurance scheme far earlier rather than at the end of the process. If you have a car accident, whether you are at fault or whether you are not, your insurance company works all that out and they pay you out and then the insurance companies work out everything else further down the track.

We are looking at doing a similar thing with QBCC as well so that the consumer can get resolution of their problem far earlier than they have been in the past. That is another enhanced process that will make sure that things are done quicker. I am really confident about some of the changes that are being made. The trials that have taken place already have been very encouraging. I think the other thing that has occurred, and it is quite alarming to me that it never existed in the past, and that was this little booklet called *Standards and Tolerances Guide*. Often there are people who have seen a defect in their house and they have wondered, well, is it a defect or not. Then they bring the builder in and they argue over whether it is a defect. Then the QBCC might come out and make a ruling and there is, sort of, ‘Oh well, you are just telling us that’s what the ruling is. What’s your source?’ So we have now produced the *Standards and Tolerances Guide* and this is basically—it is not basically, what it is is exactly that. A person was telling me just the other day that they had a crack in their driveway. They were wondering is this normal, is this a defect. They looked it up in the *Standards and Tolerances Guide*. They went and measured it and they realised that, no, actually that is normal and I have no right to complain about that and so that cuts that dispute out—well, you don’t even have a dispute because this is here. This is a great new addition that has come out of late. If you haven’t got one of those I really recommend that you go to QBCC. I carry one of these with me everywhere I go. It is very, very handy.

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

**Mrs MILLER:** Thank you, Chair. I refer to page 88 of the SDS. If we go to the third paragraph, the first dot point says—

The QBCC's objectives include:

Implementing the Government's Ten Point Action Plan to fulfil the commitment to grow a strong and sustainable property and construction sector

I hope we are all clear. Minister, in relation to that Ten Point Action Plan, could you please detail for the committee how much money has been spent on implementing this Ten Point Action Plan as at 30 June 2014, detailing the amount of money that has been spent on each of the 10 points?

**Mr MANDER:** Thank you for that question. Do not forget the QBCC is totally self-funded so it is not taxpayers' money that is being spent. I am just reminding you of that. And thank you for the emphasis on 'strong' as well. I agree with that emphasis on the strong plan.

**Mrs MILLER:** My pleasure.

**Mr MANDER:** It is quite a detailed question. Of course I will take that on notice.

**Mrs MILLER:** Okay. Thank you. At the same SDS page, 88, at the same dot point, Minister, in relation to the ceasing of the Queensland Building Services Authority and the creation of the QBCC from 1 December 2014, could you please detail for the committee how much money was expended to constitute the QBCC? By 'constitute' I mean from the time that the legislation was starting to be drafted through to now. And also to include the amount of money expended to brand the entity. I also want to know how much it cost to change the stationery and the signs and whether any consultants or expert advice was sought in relation to that?

**Mr MANDER:** Thank you for that question. \$472,000.

**Mrs MILLER:** Can I ask specifically how much money was expended in relation to the stationery and the signs?

**Mr MANDER:** I will take that on notice.

**Mrs MILLER:** Okay. That is good.

**Mr MANDER:** I should say, if I could on that, I was out at the QBCC last week and the new cars look absolutely fantastic. There is great branding all over the cars and the new uniforms that the staff have have made them look incredibly professional. They are very appreciative of that opportunity. Again it is raising the professionalism of the QBCC. It is very encouraging.

**CHAIR:** Member for Bundamba?

**Mrs MILLER:** Thank you very much, Chair. Chair, I would now like to turn to page 92 of the SDS. Under 'Expenses' at the second dash it has 'Other supplies and services'. Then if we go over to page 95 and we go to 'Income Statement', No. 5 states—

Increase due to use of consultants and contractors to assist with the Government-approved Ten Point Action Plan for the building industry.

Minister or Director-General, could you please provide details for the period 1 July 2013 to 30 June 2014 on which consultants have been used and how much it cost, what was expended on each consultant and which contractors have been used and how much was expended on these particular contractors? I am also looking for detail on which consultants and contractors are planned to be used in this financial year.

**Mr MANDER:** Thank you for that question, member. What I can provide for you immediately is the detail of consultants used from 1 December 2013 to 30 June 2014. I think that is the gist of your question. The consultancy firm KPMG has been used for the early dispute resolution model. That cost \$6,180. Binge Advertising & Design Pty Ltd, which was involved with the corporate identity and branding concepts, were engaged and that cost \$25,320. Ernst & Young were engaged for the due diligence exercise re the transfer functions from the BCQ. That was \$61,071. Mr Andrew Wallace has been engaged with regards to the certification review. That was \$48,045. Deloitte was engaged for the implementation strategy for case system Salesforce. That cost \$39,800. Deloitte was also engaged for the implementation strategy for social media monitoring. That was \$39,000. Fiftyfivecoms Pty Ltd was engaged for an audience engagement strategy, \$5,500, and 3RD View Consulting Pty Ltd was engaged for a business customer centric exercise, \$37,500. That totals \$262,416. Did you also ask me for next year as well?

**Mrs MILLER:** Yes.

**Mr MANDER:** I will have to take that on notice, thank you.

**Mrs MILLER:** That is fine. If we can all turn to page 82 of the Service Delivery Statement where it says 'Queensland Building Services Authority', Minister, I notice that in the SDS on page 82 that the QBSA ceased operations on 30 November 2013—that is the second paragraph—and functions were transitioned to the new statutory body, the QBCC. The SDS for the QBSA has no performance statement data while in the SDS for the QBCC on page 91 new service standard measures have been established with a customer satisfaction target for this financial year of 85 per cent. Last year's state budget SDS for the QBSA on page 84 under the performance statement had a measure of percentage of customer satisfied with advice and support for 2012-13 target of 92 per cent. The estimated actual was 94 per cent and the 2013-14 target 92 per cent.

**Mr MANDER:** I am losing track of the question. It is a very long preamble.

**Mrs MILLER:** That is fine. I just want to make sure that you are across it.

**CHAIR:** Go back a little bit.

**Mrs MILLER:** I have two questions.

**Mr GRIMWADE:** Haven't we got to the questions yet?

**Mrs MILLER:** This is very serious. It is very important that the minister understands where I am coming from.

**CHAIR:** If you do not get to the question in a minute next year you can put it in writing. Maybe you can précis the question.

**Mrs MILLER:** The question is: the QBCC has measured customer satisfaction since 1 December for the period ending 30 June 2014. So we know there has been a measure. What level of satisfaction has been achieved? You might have answered that earlier.

**CHAIR:** Stop there. Can we answer that question?

**Mr MANDER:** Let me just understand the question. What level of satisfaction has been received with the QBCC since it has come into operation, is that the question?

**Mrs MILLER:** Yes.

**CHAIR:** Stop there and maybe the minister can answer that.

**Mrs MILLER:** Yes, that is what I am asking.

**CHAIR:** You should have said so in the first place.

**Mrs MILLER:** I do not think that you really should be commenting on that.

**CHAIR:** I should not be, you are quite right.

**Mrs MILLER:** No, exactly, Chair.

**Mr MANDER:** One of the reasons that we changed from the BSA to the QBCC was to make sure that we became far more customer centric, that we were aware of the issues that consumers have with regards to building their property. Those figures, Mr Chairman, I will have to take on notice. I do not have them readily available.

**Mrs MILLER:** That is fine. In relation to that, Minister, as I understand it, the customer satisfaction target for 2014-15—that is this year—is 85 per cent yet in the BSA it was 92 per cent. Why has that been lowered?

**Mr MANDER:** Thank you for that question. There has been, of course, a major change take place between the old BSA and the new QBCC. It is a new organisation with new standards. The board makes those decisions with regards to the benchmarks that they expect. That is the benchmark that they have set for the commissioner to meet. I believe that that is a particularly high standard. I think if they meet that standard they will be doing a very good job.

**Mrs MILLER:** But it is lower than the QBSA.

**Mr MANDER:** I am quite comfortable with that benchmark.

**Mrs MILLER:** Just following up on that, can I please ask the director-general and the minister, can you please advise us of any correspondence or any memos or whatever that have come to you in relation to lowering that standard?

**Mr MANDER:** So that we understand the question, have I received any correspondence or memos?

**Mrs MILLER:** Yes, from the QBCC.

**Mr MANDER:** From the QBCC?

**Mrs MILLER:** Yes. You are saying that you are happy with lowering the standard. I would have thought that the standard should have been the same. That is all I am asking.

**Mr MANDER:** This is again where there is a difference between the way Labor administers things and the way this government administers things. We have set up a board, a fully professional governance board, that has the responsible and the authority to develop and implement the strategies for QBCC. These things fall within their responsibility. The chairman of the board does not come and discuss what I would call very operational matters with me. I do not need to know that. We have great confidence in the board. They have already delivered amazing results. They will continue to deliver amazing results. I am very confident that the customer satisfaction rate will far exceed any target that they set. So the answer, in short, is no I haven't received anything because it is simply an operational matter that the board has responsibility for.

**Mrs MILLER:** Thank you very much. Minister, I refer to page 92 of the SDS, which outlines the income statement for QBCC. I mention employee expenses and particularly note 4, which states—

Increase due to increased staff numbers to provide for Government-approved Ten Point Action Plan for the building industry.

Minister, the increase is from the 2013-14 estimated actual of \$19,838,000 to the 2014-15 budget of \$38,280,000—an increase of \$18,442,000. Could you please explain to the committee why such large expenditures on employees are needed to implement the government's Ten Point Action Plan?

**Mr MANDER:** I just remind the member that the QBCC came into effect on 1 December 2013, so the figures for 2013-14 are figures for seven months while the figures for 2014-15 are figures for 12 months. As you would imagine, the figures for 12 months are greater than the figures for seven months.

**Mrs MILLER:** Chair, I would like to go to capital works now. I refer to page 4 of the Capital Statement. Minister, you expended \$266 million of the capital budget in the 2013-14 financial year. Comparing that figure with your capital budget on page 4 of last year's Capital Statement, it seems that you have underspent the capital budget by \$75 million. I am just wondering if you can explain why this was underspent. Can you list out, please, what projects have been deferred, delayed or even cancelled?

**Mr MANDER:** I will defer to the director-general to answer that question.

**Mr Castles:** I am just waiting on the exact figures. We have significant programs each year. In terms of capital expenditure, we go through an expenditure program and a lot of our expenditure program has been around housing. We have a very limited expenditure program outside of housing. In housing, a lot of it is around approval processes, particularly with respect to the national partnership on remote Indigenous housing and getting access to land on which we can build housing. Particularly the Torres Strait has been a problem area, so that has slowed.

Also, we had extensive programs to upgrade housing held by the Indigenous community housing organisations. There was a heavy focus on them this year. The issue is that we want the tenants of Indigenous community housing to have the same quality of housing as they may have under social housing. Therefore, we have had an extensive program of updating that housing. The difficulty we have had is that, in doing the upgrades to the housing we also want the Indigenous community housing organisations to come up for registration and be captured under the national regulatory system so there is a consistent standard. What we are very much finding is that that has been very difficult for us to get through.

If I go through the deferrals for the year, \$36.2 million in social housing construction was deferred from this year to next year. We have an extensive program of social housing construction next year. Of that, a substantial number of houses have been started.

Also under the National Partnership Agreement for Remote Indigenous Housing, which I have spoken about already, there is \$20.2 million worth of deferral. A lot of that is actually about subdivisions and, particularly in the Torres Strait islands, getting access to land under native title so we can do the subdivisions. There are also the various Indigenous projects we are working with. These particularly relate to the people up on the Atherton Tablelands—so that is the Mona Mona people and Mantaka people—for whom we are providing modern housing. They have lived in housing that is basically falling down. It has been in reserves. They have had limited supply of services and

everything like that. We are providing those people new houses. We are providing them closer to towns to help them with employment and occupation. That has been slower than expected, but it is certainly very much going ahead. We have delivered a number of houses under those programs.

There is also a deferral of \$6.6 million around the homelessness program for young people exiting state care and women escaping domestic violence. So that is going ahead and will go ahead this year.

There was \$4.4 million we had to hand back to the Commonwealth, and that was handed back to the Commonwealth because we did such a great job. That was under the nation-building scheme. We built more houses than was expected. Some 4,000 houses were expected of us under the nation-building scheme. We built more than that for less money than the Commonwealth expected of us. We expected to be able to keep that money to build more housing, so it has been a bit of an ongoing discussion point between us and the Commonwealth. We have the Commonwealth's final decision on that: we have to hand the money back. That will go out of our system next year, whereas we expected to use it for housing.

Also, as I think the minister said earlier when we were talking about housing, housing has been delivered in the Fitzgibbon Urban Land Development Authority, and that is \$3.3 million—the redevelopment of that. The handover was a bit slower than expected, but the housing at Fitzgibbon is going ahead this year.

**Mrs MILLER:** Just to conclude this subject, have any projects been cancelled, Director-General? You can take that on notice if it is easier.

**Mr Castles:** There have been no projects cancelled. Some of the issues that we deal with, particularly around getting access to native title and being able to undertake land development, particularly in the Torres Strait islands, have been very, very slow. We are working with them to try to hurry it up, because it could ultimately mean missing out on houses because it is Commonwealth money. It is very important in that regard.

**Mr WOODFORTH:** Minister, I refer to page 4 of the SDS and the creation of Queensland Training Assets Management Authority, QTAMA. How will this help Queenslanders get better value for money that they pay for TAFE facilities?

**Mr MANDER:** I thank the member for Nudgee for that question. This is another area of reform that the government has undertaken. They have done this for two reasons. The first reason is that we want to make sure the underutilised resources that are currently there with TAFE—some resources that are very valuable—are better utilised in the future. We have accounts of some of these facilities that are only used for 40 per cent of the time during the daytime, eight per cent of the time at night-time and zero per cent of the time on the weekend. We believe that is not a good use of these facilities so we are determined to make sure they are better utilised.

The other thing we are trying to do is allow—these two outcomes dovetail with each other—private training organisations access to these facilities, which they do not have at the moment, to make a more competitive environment in the training area. So that has been part of the drive behind this. We also want the educators to be responsible for education and not have to be worried about facilities management, which is not their core business and not their area of expertise.

So this has been the driver behind the formation of QTAMA, which has been in operation since 1 July. We now have a fully operational board. Their brief, in a nutshell, is better utilising the very valuable resources that we have with TAFE assets so that the state can get the best return possible. That is the reason behind the creation of QTAMA. It is early days. Part of the process at the moment is to really engage with potential users of these facilities. The other day I was provided with the statistic that we have received around 114 inquiries from outside providers wanting to be able to get in and use these facilities. This shows that there is demand out there for the use of these facilities. I expect that will lead to better results for people looking to further their education.

**Mr WOODFORTH:** Minister, page 42 of the SDS refers to Building and Asset Services. How are you intending to release more government work to local suppliers throughout the regions of Queensland?

**Mr MANDER:** Thank you for that question. Can I just clarify something? Earlier I made a statement which was not correct. In relation to the procurement area I said that we had got the average tendering time down to 90 days. That is not the average. That is what we have proven we are capable of getting it down to, but I was being a little ambitious with regard to saying that is an average of 90 days.



Before I answer the question, the director-general has a couple of answers to the questions asked in relation to IT. So I will defer to him for a moment and then I will come back to the question.

**Mr Castles:** Thank you very much for that, Minister. I will talk about it initially and if necessary I will hand over to Tim Dunn, who is our chief information technology officer. The first one relates to the process and technology work stream. That relates to the initiatives around amalgamating Project Services and QBuild. It was a bit odd to me, coming from outside the department and to some extent from outside the Public Service, that commercialised business units within this organisation were run on completely separate IT platforms. So we had one for QBuild and one of Project Services. It was almost a case of 'never the twain shall meet'. When we amalgamated the two commercialised business units of government a key was actually to get them on the one platform so that we could realise efficiencies there but also have something everyone could use, rather than still having this cultural issue of, even though they were amalgamated, having two quite separate organisations. When we did that, we had an original budget. The reason that budget changed was that we changed the budget to include internal staff cost. That was the reason for the increase, rather than any actual cost blow-outs. In terms of the whole amalgamation of QBuild and Project Services—in things like IT cost, back-office cost and things like that—this last financial year we have realised savings of about \$72 million.

With respect to the second issue, which is the program one—that is around the desktop environment, as I had said—the projects that came under the original budget were very narrow and very defined. Over time we have expanded that project to include other subprojects and that has added to the cost. But if you look at it overall, as we have added those projects—add-ons, value enhancement and so on—the total budget, if we amend for all of these subprojects that we have put under it, has not gone over. I can hand over to Tim to add to that.

**Mr Dunn:** As Neil has outlined, principally there has been no real blow-out as such. What we have essentially simply done, particularly with program one, is add additional projects to an existing program governance structure. So it is called program one, and that is the approach that we use to tightly govern the ICT projects and initiatives in that particular area. All we have simply done is add additional projects to those, and that is what has changed that budget. The way the dashboard reporting works is we start with what is the original budget and that is always held through and then if and as when things change that is why you see that additional budget. It does not necessarily mean a blow-out. There were additional funds that were added to the overall budget itself.

**Mrs MILLER:** Chair, can I ask a follow-up question in relation to that. It would be easier in future then if there was a footnote in the budget papers. Can I suggest to the minister and the director-general that, in view of your response, a footnote to that effect should be included in these budget papers?

**CHAIR:** Thank you for that.

**Mr MANDER:** I just have one other clarification before I get to the member for Nudgee. I did state earlier in an answer to the member for Bundamba about staff that nobody had been sacked in BAS last financial year. In fact, two people were dismissed for criminal activity. They were charged with serious criminal offences. So I just need to clarify that. Going back to the member for Nudgee, if I recall, your question was about outsourcing opportunities—was it to local businesses?

**Mr WOODFORTH:** Yes. It was how you intend to release more government work to local suppliers throughout the regions in Queensland.

**Mr MANDER:** Thank you for that. I mentioned earlier that last financial year 88 per cent of trade based building services were undertaken by the private market. In this current financial year the department aims to further increase that to greater than 90 per cent. So this will provide great opportunities for industry to compete for government work. We have already mentioned the fact that schools no longer have to use QBuild. Some choose to do that and some want the freedom to be able to go directly to the market.

Building and Asset Services, BAS, has been enhancing its supplier engagement strategy—and I have spoken quite a bit about that. It focuses on diversifying and expanding the existing registered supply base, with again an emphasis on improving supply and performance capacity and capability in regional areas across Queensland, and I have mentioned that as well. The department uses electronic procurement tendering applications that facilitate fair and equitable opportunities amongst existing registered suppliers that tender on government work. The electronic tender administration

system, IRIS, incorporates a technical rotation process to ensure low-value, low-risk requests for quotes are fairly distributed to local contractors, suppliers and consultants. This is a great system that gives opportunities for local contractors.

In April 2014 the department initiated activities to tender regionally aggregated packages that work for cleaning and horticultural services for 562 sites as a part of a category management pilot. To ensure opportunities for the small providers, contractors were able to bid in full or for part packages of work. This aggregated packaging has provided tender visibility of all of the available state-wide works to industry as well as reducing duplication and workload for tenderers. So it has been very well received. Aggregation associated with the category management approach has resulted in a reduction of individual contract packages being tendered. This has significantly reduced resource requirements associated with management of these contracts and provides an opportunity for increasing value for money through geographic bundling of work programs. The DG is dying to tell us about another success story, so I will divert to him for a moment.

**Mr Castles:** Certainly there is this focus on the regions which the minister spoke about. I was in Caboolture yesterday where we met with a number of suppliers about how we would go out to tender with them so that we could get outcomes for those local suppliers so that we do not bring in the big boys like the Spotlesses and the Transfields, which they are all worried about. On top of that, I and a number of other people are going to Bundaberg on Exhibition Wednesday where we are going to talk to a number of the suppliers in that region about how we will go out to tender so that we can actually engage with those local suppliers and get better outcomes in those areas.

Also, we are going through a process now—it is a tender process for things like repairs, doors, electrical work, plumbing work and so forth. This is a very, very large tender and a very, very substantial amount of money. It could be very easy to run this tender process from Brisbane. What we are actually saying is, 'No. This is a regional issue,' and we are actually going to run it from each of the regions throughout Queensland. So if it is in the North Queensland region or the Far North Queensland region it will be run out of Cairns with extensive engagement with local suppliers before we go out to the market to tender so that they know what we are doing and we understand their capabilities and how we can risk share with them to get the best possible outcome for them and the state.

**CHAIR:** Minister, you have already touched on this a bit. Page 82 of the SDS refers to the Building and Construction Industry Payments Act 2004. That act is going to be amended. What will the benefits be to subcontractors under your proposals coming forward?

**Mr MANDER:** Thank you, Chairman, for that question. Just on a point of clarification, that bill is actually before the House at the moment. Am I still allowed to discuss this? I will talk generally about it.

**CHAIR:** Yes.

**Mr MANDER:** Great. The Building and Construction Industry Payments Act is the act that ensures that subcontractors can receive progress payments during the course of a project or a contract. This has been in the main a good piece of legislation, but what we found after we got various feedback from stakeholders is that this act needed some tweaking because there are some unintended consequences. Some of the issues that we were faced with were that the claimant can have quite a long period of time to actually put together a claim against a respondent, where the respondent had a very short period of time to be able to give a response, which seemed to be unfair and not equitable.

To add to that dilemma, there were occasions where what were called ambush claims would be made, where people would roll in on Christmas Eve or on the Thursday before Good Friday and literally have caseloads of documents and, again, there was a limited period of time because of public holidays and shut-down time over the Christmas break in the building and construction industry that put pressure on people, and it made it very difficult to provide responses. So what we have done is we have brought in more reasonable response times. What we have found is that most people at some stage find themselves on both sides of the fence, either as a claimant or as a respondent because of the people in the subcontracting and contracting hierarchy. So we have brought about some changes there to bring some fairness. So for claims over \$750,000—and I should say that 85 per cent of claims, I think that figure is correct, are \$750,000 and below, so it is only 15 per cent of claims that are above that rate—there will be more time allowed.

The other big change is that there was a perceived conflict of interest in that the claimants were the ones who chose who the adjudicator might be. The way the system worked was that we had what was called authorised nominated authorities, which is like a middle person, like an agent that employs adjudicators or engages adjudicators. So a claimant would go to an ANA and seek an adjudicator. There is an inherent conflict of interest there because the ANA receives payment for that service and of course they want the claimant to come back to them. So the perceived, at least, conflict of interest is that the adjudicator is going to be far more sympathetic to the claimant because they want the return business. We felt that that needed to be addressed. So what we have before the House at the moment is a bill that takes away that role of the ANAs and gives it to the Queensland Building and Construction Commission.

The other benefit of that too was that one of the claims was that adjudicators were often given cases for which they did not have the experience or the level of expertise that was necessary. So the QBCC will ensure that not only will adjudicators be fiercely independent, or at least seen to be fiercely independent, but that they will also be suitably qualified for that task. This benefits subcontractors because they will have restored confidence in a system that actually works. We have received very good feedback about this from all the major stakeholders, and I believe it will address some of the shortcomings that we have seen with the legislation in the past.

**CHAIR:** Minister, also on page 82 of the SDS it refers to the Domestic Building Contracts Act. How is the government going to ensure that issues that occur during construction are dealt with earlier rather than later?

**Mr MANDER:** Thank you very much for that question. As I mentioned earlier, what we are trying to do is cut down red tape and allow some of the dispute resolution services to be enacted far quicker than they have been in the past. So, by making some changes to this act, that is allowing us to do that. We are trialling an early dispute resolution service which allows the commission to assist parties to resolve a building dispute in the very, very early stages. This will really reduce the cost to consumers and building contractors, as well as reducing the time frames of resolving building disputes. This is a free service which provides both sides, both parties, with an option to have this dispute resolved as quickly as possible.

This trial has started. I already mentioned that the first dispute referred to this process was resolved in four hours. That probably included travel time to get out to the site and talk to the people. I also mentioned this standards and tolerances manual that now really takes away any uncertainty about what is acceptable and what is not. So I am very encouraged about those early results and very encouraged that we are bringing about a service which both consumers and building contractors have been crying out for for some time.

**CHAIR:** Thank you, Minister. That concludes the hearing. I thank you and your advisers for your attendance. I remind all visitors that the archived video footage that will be provided on the parliament's website is the sole source of proceedings until the *Hansard* transcript is produced next week. I also remind you that your answers to questions taken on notice at today's hearing are to be provided to the committee secretariat by 5 pm on Tuesday, 22 July. That completes the committee's hearing for the estimates of the Minister for Housing and Public Works. Before I conclude, on behalf of the committee, I thank officers of the Parliamentary Service for their assistance for today's hearing. The committee will now adjourn for one hour before resuming at 2 pm to examine the estimates for the areas of responsibility administered by the Minister for Local Government, Community Recovery and Resilience.

**Proceedings suspended from 12.59 pm to 2.00 pm**

**ESTIMATES—TRANSPORT, HOUSING AND LOCAL GOVERNMENT  
COMMITTEE—LOCAL GOVERNMENT, COMMUNITY RECOVERY AND  
RESILIENCE**

**In Attendance**

Hon. DF Crisafulli, Minister for Local Government, Community Recovery and Resilience

Mr R Ferrett, Chief of Staff

**Department of Local Government, Community Recovery and Resilience**

Mr C Evans, Director-General

Mr G Newton, Chief Executive Officer

Mr M McKee, Chief Financial Officer

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**CHAIR:** I declare this part of the estimates hearing of the Transport, Housing and Local Government Committee now open. I am Howard Hobbs, the member for Warrego and chair of the committee. The other committee members are Mr John Grant, the member for Springwood; Mr Darren Grimwade, the member for Morayfield; Mr Carl Judge, the member for Yeerongpilly; Mr Anthony Shorten, the member for Algester; and Mr Jason Woodforth, the member for Nudgee. Mrs Desley Scott, the member for Woodridge, is deputy chair and is unable to attend today. She is replaced by Mr Tim Mulherin, the member for Mackay.

We are here today to examine the proposed expenditure contained in the Appropriation Bill 2014 for the portfolios of the Minister for Transport and Main Roads, the Minister for Housing and Public Works and the Minister for Local Government, Community Recovery and Resilience. This afternoon, we will consider the estimates for the Minister for Local Government, Community Recovery and Resilience. The committee will suspend proceedings for a break at 3.30.

The proceedings today are lawful proceedings subject to the standing rules and orders of the Queensland Parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting guidelines. Today's hearing is also being broadcast live on the parliament's website, with archived video footage available on the parliament's website after each session. I offer a warm welcome to all of those who are tuning in.

Committee members may put questions to the minister, director-general and specified chief executive officers. The minister, director-general or CEO may refer questions to advisers. We expect all departmental officers appearing today to provide full and honest answers to our questions. Anyone who is unable or unwilling to provide an answer should be prepared to state the reason. I remind members, however, that the departmental officials are not here today to give opinions on the merit or otherwise of the policies of the government. That is the role of the minister. It is also important that questions and answers remain relevant and succinct. Where necessary, I will remind ministers, directors-general, CEOs and their advisers that their answers to a question should be finalised so that other issues can be examined. For the benefit of Hansard, I ask advisers, if you are called to give an answer, to please state your name and position before speaking. Before we begin, I ask that all mobile phones now be switched off. On behalf of the committee, I welcome to the hearing Minister Crisafulli, officers of the department and entities, and members of the public. We will examine the estimates for your portfolio until 5 pm. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you like to make some opening comments?

**Mr CRISAFULLI:** To get a proper measure of your performance, you should look at your starting point. When I first became minister, relations between local government and state government were, quite frankly, poisonous and that was in many cases due to the way that the former

government duped councils with the forced amalgamations. Former LGAQ president, my good friend Paul Bell, expressed outrage when he said—

The commissioners have designed the wholesale slaughter of a system without reason. Local Government as we know it will cease to exist. What we now have is regional government. Local communities with shared interests have lost the Councillors they relied on to represent their particular interests within the wider community. Instead, they will be left to deal with an unelected bureaucracy.

A good working relationship between local and state government is exceptionally important in a decentralised state like Queensland. That is why the distrust bred by the paternalism and acts of betrayal were, quite frankly, so harmful. The importance of the relationship between the two levels of government is the reason why I moved quickly to address the distrust. I did this by re-establishing the Partners in Government Agreement and setting out on a fact-finding tour of all local councils to find out the issues most important to them and the major issues they had when dealing with the state government. The feedback from the tour formed the basis for the changes that this government made to the Local Government Act. The change in the relationship was obvious when Councillor Bell observed, 'The new Local Government Act restores the standing of elected members. We are the guilty party no longer.'

Through listening, consulting and working together, the two levels of government have rebuilt the trust. This does not mean that we agree all the time, but it does mean that we deal with each other confident that those dealings will be in good faith. This new relationship is evident in the figures we will analyse today. Weighed down by bureaucratic rules, delays in announcements and delivery of projects, local government quite frankly had crawled. This applied across a number of areas including the local government grants and subsidies and the projects funded under the natural disaster relief and recovery arrangements—all of which we will analyse today. I addressed these issues by listening to councils, assisting them with project management and in some cases having to apply the blowtorch. As a result, in this year's budget you can see that councils have improved their delivery in relation to grants and subsidies. The amount of deferrals has decreased by 45 per cent since our first budget.

Similarly, with the recovery effort, the government made sure we got QRA staff on site immediately to assist councils with their applications so the assessment would not have taken place solely in one spot. This combined with the hands-on project management by the government saw a remarkable improvement in the speed of the recovery work highlighted in Bundaberg. This remarkable improvement was noted by the CEO of the Local Government Association when he stated, 'The new government has taken it to another level again, the model that we rolled out for this year's events.'

Perhaps the most powerful acknowledgement of the improvements this government has made to recovery work has come from some surprising sources. It is rare praise indeed when even the Leader of the Opposition provides endorsements, and I quote: 'Government is about working cooperatively with councils. We have seen how it has worked cooperatively during the floods.' When my good friend the member for Mackay was asked in an interview in his hometown paper, 'Can you give the Newman government a tick for anything?' he graciously remarked, 'Our state is unfortunately regularly subjected to natural disasters. Cyclones, floods and bushfires can hit local communities hard. The government's response to these sorts of issues has been something I would regard as a positive.' And I thank him for the comments.

**Mr MULHERIN:** That was the only tick!

**Mr CRISAFULLI:** Mr Chairman, you will see that financial year there was a new record set for the amount of recovery work done in a calendar year, with over \$3.6 billion in expenditure delivered, and I praise everyone involved in that. This is the benefit you get from good relations. This is the benefit you get from allowing local decisions to be made by locals. This is the benefit you get from elected officials both local and state being free to hold their bureaucracy to account.

Before I hand back, I would like to address briefly a major issue facing Queenslanders and something I am sure will be discussed today—that is, the carbon tax and the impact it has on the forward sustainability of councils. I have a very clear message—that is, that governing cannot be a one-way street. If you are honest with people and explain why costs must go up when taxes are implemented, you must be honest with them and remove those charges when taxes are removed. Anything less, ratepayers quite simply would not accept. I have noted with interest the comment from the Lord Mayor of Brisbane today. I understand the challenges faced by councils in doing it, but those savings must be passed back to ratepayers. Mr Chairman, thank you for the committee's time. I hand it back to you.

**CHAIR:** Thank you, Minister, for those words. I call the member for Mackay.

**Mr MULHERIN:** Minister, my first question relates to page 2 of the SDS regarding 'strategic direction' and 'resilience to natural disasters'. The other questions I will ask in this session relate to page 26 of the Queensland Reconstruction Authority. I thought I would say that upfront so I do not have to keep referring to it. This issue will affect governments in the future in Queensland, as we are a state particularly where we have unfortunately a lot of natural disasters, with cyclones, floods and the terrible drought that we are currently going through. The National Commission of Audit canvassed the idea of the Commonwealth reducing its contribution of natural disaster recovery funding from its current level of 75 per cent. If the Commonwealth were to do this, could you advise how the state would address the shortfall? Would it require local government to fund the difference? We do not have the ability to levy a fee on taxpayers of course like the federal government has.

**Mr CRISAFULLI:** Mr Chairman, can I say it is an excellent question and we could spend in fact the entire time today talking about this one issue—it is quite frankly so important. The answer is the shortfall could not be met. Local government does not have the capacity to meet that shortfall. We as a state do not have the capacity to meet that shortfall.

The point I have made at length to the commission and the point I have made at length to the elected officials is that we as a state are already doing our bit—25 per cent of the cost, which is our minimum contribution, is already well and truly our fair share. If you look at it in terms of capacity to pay, we are in fact carrying a larger load than the federal government do with the 75 per cent contribution.

I have to make the point clearly that it is a discussion paper and it is something that the commission has put forward. Governments should not be judged by the quality of advice they receive; they should be judged by how they act on that advice. I have made my views very, very clear. It would be quite frankly diabolical. It would be something that would see not only the speed of the recovery impacted but it would also mean there would be things that could not be recovered.

The recovery only works when there are three elements that come together. You need local know-how on the ground to be able to respond quickly. You need the state to be able to cut through any bureaucratic hurdles that are there but also provide a degree of financial contribution. You also need the federal horsepower and the financial muscle that the federal government has. Without those three elements, quite frankly we would be in a lot of trouble. I will always stick up for Queenslanders. Regardless of the colour of the government in Canberra, I will always stick up for Queenslanders, and that was one of my great criticisms of the former government going very quietly on the carbon tax, which is a huge impost for Queensland. We are seeing that today how big an impost it really is and how much benefit will come from its removal. We owe it to Queenslanders to stick up for issues that matter to us. This is one of them and we will fight it hard.

**Mr MULHERIN:** Minister, currently the Queensland Reconstruction Authority will be wound up on 30 June 2015. However, on page 8 of Budget Paper 2, there is a reference to ongoing natural disaster relief and recovery arrangement expenditures of \$232 million in 2015-16. Who will manage this expenditure in the absence of QRA in 2015-16?

**Mr CRISAFULLI:** Thank you for the question. The current life of the authority, as you point out, is to that point in time. I am open minded to the continuance of the Queensland Reconstruction Authority. I think there is a definite role for being forward thinking and strategic. If we choose to go with a different model, regardless there needs to be money spent on that work. We cannot as a government assume that we will not be subject to natural disasters in the future.

I do not think Queenslanders are overly concerned about what shape the bureaucracy looks like and what it is called, but they do wish to know that we are mitigating against future disasters. So there are two roles. One is in the mitigation, which I think we have made big headway in in the last couple of years, and the other is in the response. If you have a look at the phase that the Reconstruction Authority is moving into now, it is more into that acquittal phase but also some of the forward-planning work and that is the role that I see for the authority.

**Mr MULHERIN:** I think one of the great reasons for having the Reconstruction Authority, as you rightly point out, is the mitigation response but it also brings together a single focus on accountability. Do you see the authority continuing on under the same name?

**Mr CRISAFULLI:** I think the bigger issue is to make sure that government continues to do that work. As to the means and the structure of it, I do not think that is overly important but there is definitely a role for government to forward plan in that regard.

**Mr MULHERIN:** So within your department there will be a unit that will focus on that for the future?

**Mr CRISAFULLI:** Within the government, that role must continue. The Reconstruction Authority has been excellent in driving the change that we wanted when it comes to having local councils empowered and engaged and being able to get timely delivery of infrastructure. I think that has been one of the great success stories. The mitigation has not just been done by the Reconstruction Authority. In fact, the department has been at the forefront of coordinating that. You will see in the budget papers this year a record contribution for some of that mitigation funding, hot on the heels of projects that your part of the world has benefitted from, Mr Chairman. Again, it has been a partnership. Where local councils have shown the leadership, we have been willing to go in and stare down the noisy minorities and help them get these projects up. That is the role of government. What form that takes is something that I am sure we can all analyse. The reality must be that we must continue to have a presence when it comes to mitigation funding, but also the ability to recover when Mother Nature turns nasty.

**Mr MULHERIN:** Minister, can you explain to the committee what natural disaster relief and recovery work is scheduled to be undertaken in 2015-16?

**Mr CRISAFULLI:** Sure. I guess I should start by talking about where we are at the moment and then talk about the next phase. At the end of last month we closed off on the flood recovery from the events of 2011/2012. I guess this gives me an opportunity to discuss something that I am particularly proud of. Two elements have occurred since the change of government. One has been the ability to work with councils and get that mitigation in place. The second has been the timeliness by which we approve and deliver works. I had an interesting debate yesterday with the member for South Brisbane on 4BC radio. She listed one of the reasons the government has issues with the debt and deficit problems that we have inherited as natural disasters. If you look at the expenditure, the vast majority of expenditure for natural disaster relief and recovery arrangements has occurred since the change of government. There is a combination of reasons for that. One is, quite frankly, the paralysis which meant councils were unable to get in and do the work. The second, though, has been the ongoing disasters. We have seen Oswald and, in more recent times, we have seen Ita. The job continues. At the end of last month we signed off, from those events from 2011 and 2012, a significant program in the order of about \$13 billion worth of work.

Again, I should comment on the role of the federal government. When we talk about \$14 billion worth of work in recovery in the last half a decade, over \$10 billion of that has been funded by the federal government. It puts it into perspective how we could possibly be in a position to recover if that had not occurred. That closed off that period. It closed off 2011-12. This year, work will begin to come forward for both events. I have said in terms of the Ita event that the amount that is recovered from that will continue to firm up. It is in the order of hundreds of millions, rather than billions. We are very fortunate. This year I imagine the recovery spend will be somewhere less than \$2 billion. If you take into account last year's record spend of about \$3.5 billion, it shows you that we continue to march forward. If you look at the SDS, that figure is actually \$1.821 billion, which is budgeted for this year. A little more than half of the last year gone by, but there is still work to be done.

**Mr MULHERIN:** Minister, you are saying that into the future you will have that focus on preparedness and response. Touch wood that it does not happen in the near future, but would you consider re-establishing a reconstruction authority if there was a natural disaster in the future?

**Mr CRISAFULLI:** Mr Chairman, that is a very hypothetical question. There is a reconstruction authority at the moment and I have explained to the member for Mackay my views on the need to continue to prepare for natural disasters. I am very happy to stand on the record of this government in doing that. That is a purely hypothetical question.

**Mr MULHERIN:** Maybe this is one for the CEO, through you, Minister, to take on notice. Mr Evans, can you provide a breakdown of the funds by each of the categories under the NDRRA?

**Mr CRISAFULLI:** I think he is mistaking you, Graeme, but go for it.

**Mr Newton:** Graeme Newton, CEO of the Queensland Reconstruction Authority. Could I just ask—

**Mr MULHERIN:** It is each of the categories.

**Mr Newton:** As in—

**Mr CRISAFULLI:** Not for the Brisbane City Council, either!

**Mr Newton:** So the expenditure to date?

**Mr MULHERIN:** Yes, please.

**Mr Newton:** With the expenditure to date, mostly we have the expenditure in category B, which is the essential public assets. That is largely in relation to local governments and TMR assets. That equates to about \$10.7 billion spent to date. Category D is about \$300 million. Other agencies pick up some of the category A special assistance grants and other funds like that, as well as some category C funds. It is about \$900 million; so they are business assistance, personal assistance and so forth. I do not have it broken down in front of me.

**Mr MULHERIN:** What was category D?

**Mr Newton:** It is about 300 spent to date, yes.

**Mr MULHERIN:** That is the loans of up to \$650,000?

**Mr Newton:** The category D funding is right across a whole range of different areas. That would include things such as the Grantham relocation and it also includes the Cardwell foreshore assistance. It also rightly takes into account the business assistance grants and things like that, which are the ones that are to the higher threshold, not the category C threshold.

**Mr MULHERIN:** Thank you.

**CHAIR:** Minister, obviously our councillors play a very important role and probably, as time goes by, that becomes more important. What has been done to improve councillor accountability?

**Mr CRISAFULLI:** Mr Chairman, thank you for the opportunity to answer the question. We have made some significant changes. Again, if you could indulge me briefly before I talk about the accountability specifically, we unashamedly said we would empower mayors and councillors and put them back in charge. We also ensured that, with that, they had the freedom to be able to do the job that they needed to do. We got rid of a number of those frivolous conflicts of interest that we have heard about, for example, exemptions when there is a common interest. We removed the requirement to report on other councillors: if you thought they had a conflict of interest, somehow you had to be the schoolyard person who said when somebody else had a conflict, rather than them dealing with their own issues. We made it no longer a conflict if you were a member of a sporting club, for example. In some of the communities you represent, Mr Chairman, there would be times when the majority of them happen to be on the camp draft association or something like that. It is no longer a conflict of interest if you have an emotional tie with a school, for example.

However, we also increased accountability and we clearly said that with those powers came responsibilities. In my mind, one of the big changes was the new offence for insider information. That means that if you, as councillor or as elected official, use that insider information for your personal gain and are found guilty, there is a fine of up to \$113,850 or two years' imprisonment. The acts also provide a number of structures to ensure that councillors conduct themselves at the highest standard and if that is breached people should feel the full force of the law.

**CHAIR:** Minister, has there been a toughening up of the register of interest provisions?

**Mr CRISAFULLI:** Yes.

**CHAIR:** You have touched on that. What has occurred?

**Mr CRISAFULLI:** That is the next element of it, in terms of those register of interest changes. There were changes across a couple of sections. One was section 173B of the City of Brisbane Act and 171B of the Local Government Act. That is about deliberately failing to keep an accurate register of interests. The penalty increased to 100 penalty units, which is a little bit over \$11,000. If found guilty, a councillor could also be disqualified for up to four years. It is significant. Again, if you commit the crime you do the time.

We want to enable and we believe passionately in enabling local people to run for public office, to be able to chart the course for the future of their city or town, be in control, make decisions and do all of the things that are important to them. But we also have to make sure that, if people are doing the wrong thing, they feel the full force of the law. Rather than put all our energy into the frivolous, we have said that those who do the wrong thing will feel the full force of the law and those who want to serve their community should go about their business.

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

**Mr WOODFORTH:** Thank you, Chair. Minister, on the issue of councillors, what education programs are being run to assist councillors with their responsibilities?



**Mr CRISAFULLI:** I thank the member for the question. Quite proudly, we have had a big focus this year through the department in capacity building and that is capacity building across all different sizes and shapes of councils. We have conducted financial management training programs, particularly for the smaller rural and remote Indigenous councils. The Queensland Treasury Corporation has also been involved and I think that is excellent. With in-house training we have revised some of the online resources. We have also had a focus on some of the newly deamalgamated councils to ensure that they have the tools to begin their work. In fact, we did workshops for prospective councillors.

It is probably appropriate in this section that I also make a comment, through you, Mr Chairman, about another matter that I was asked about yesterday, which is whether there should be some sort of prequalification for a councillor. I would always rail against that, because every person deserves the right to be able to run for public office and every elector deserves the right to cast their own judgement on who is best equipped. Because somebody is a doctor or a lawyer does not make them more suitable to represent their community than a cleaner, a boilermaker, a teacher, a nurse, a farmer—whatever it is. Everybody should have the right to be able to put up their hand to serve their community. It is a great honour to serve on one's local council. There are a couple of people here who have done that and I acknowledge John. It is a great honour and people should be able to run for public office. As a department, we should be able to assist them to be able to do that job and provide the tools for them to do that.

**Mr WOODFORTH:** Minister, a lot of councillors do have ambitions to run for state parliament. Can the minister advise if councillors will be allowed to run at the next state election and also, if councillors are standing at the next election, what resources are they allowed?

**Mr CRISAFULLI:** That is an excellent question. It is another commitment that we have fulfilled. When we went to the election, we said that we would remove the absurdity that prevented people who are councillors from standing for state parliament without having to resign. It is really a completely absurd suggestion to think that you should not be able to offer your services at a higher level. In fact, the irony that somebody could run for federal parliament and not resign, but not run for state parliament, quite frankly, was absurd. We have made it clear that when that nomination occurs, when somebody's nomination has been accepted, they must take leave without pay and they must follow some rules. One of those rules is to make sure that resources are used only for councillor conduct. I issue a very stern message to the councillors who are considering running for either side of politics that you are there to serve your community and your campaigning can be done on your own time and your campaigning can be done once you are formally nominated and you are no longer a councillor. You cannot use council emails to drum up support, you cannot use your resources as a councillor and you must continue to serve your community. If that occurs, I think it is excellent that people should have ambitions, regardless of what side of politics they come from, to serve at a state or a federal level.

**CHAIR:** Thank you. I call the member for Springwood.

**Mr GRANT:** I will go to a question in the area of recovery. Can you outline the recovery work that has occurred since Tropical Cyclone Oswald?

**Mr CRISAFULLI:** I thank the member for Springwood for the question. The recovery since Oswald has been significant and it has been groundbreaking in many ways. Oswald touched 57 local government areas. We moved swiftly. We appointed three recovery coordinators to cover the entire state, one specifically for the Bundaberg and North Burnett area because that really was ground zero. We wanted to make sure that those recovery coordinators were in place to be able to hit the ground running across the state. With your indulgence, Mr Chair, I might go through some of the key wins that have been had post Oswald.

Over 650 households were provided with assistance; over \$28 million in emergency assistance and grants for things like structural repairs and essential services for families; over 5½ thousand kilometres of state controlled roads were recovered and reopened—and I must pay particular tribute to the job of the Department of Transport and Main Roads, and I will continue to talk about that; they have delivered what they said they would deliver—over 3,000 kilometres, which is about 43 per cent, of Queensland rail lines which were closed or had limited access; seven ports which have reopened; 266 affected national parks, conservation areas, state forests or whatever you choose to call them; over \$96 million to 4,341 primary producers, 873 businesses and 140 not-for-profit organisations; nearly 100 affected buildings restored; and, for the first time, a Betterment Fund, something I was particularly proud of. It was a combination of getting on the ground far quicker than before, delivering value for money and, for the first time, a fund to actually see work done to a better standard.

**Mr GRANT:** Could you contrast for us just clearly the manner in which that work has been handled in the past, in years gone by, compared to the way your department has handled it?

**Mr CRISAFULLI:** I can. I can say there have been a couple of big changes. One is certainly that relationship that I speak about and I am particularly proud of. It is also the way that we have mobilised officers on the ground. To see an army of officers from the Reconstruction Authority go on the ground and actually be there at the point of assessment with councils has been something that local government has embraced. Instead of the days of councils going through doing their assessment wondering what might or might not be eligible—the backward and forth—to have the assessor on the ground at the time in my mind delivers efficiency, delivers value for money and certainly delivers more timely outcomes. There is a statistic that I always quote because I am particularly proud of it. It is from Bundaberg, which suffered in 2011 as it did in 2013. In 2011 it took the Bundaberg council 18 months to get \$25 million worth of work out to market. This time in less than four months, \$40 million worth of work was out to market. So it took less than a quarter of the time and there was nearly double the work. That is purely because of a change of relationship. I do not think the community would have accepted a second time the sorts of delays that we saw. When I visit the affected areas, the common theme that I get from people who are not connected with the recovery is, 'Wow! Things have happened much quicker this time.' They do not need to know the back of house; they just need to know that their road is going to be fixed. That is all they care about.

Interestingly, in closing on that point, a survey of mayors was conducted. Over three-quarters of those who were in councils affected said that the response by government to the disaster was better than in the past. Three-quarters saying that it was actually better is an excellent statistic.

**Mr SHORTEN:** Can you advise the committee on the overall flood mitigation package that you and your department are administering?

**Mr CRISAFULLI:** Very much so. It goes to the heart of what the member for Mackay quite rightly pointed out before and that is on the mitigation. This is the third year of our funding the mitigation measure. This year is a record amount. More than \$50 million will be shared across 40 councils. The success of the program has been in the combination of different programs through one application process. So rather than councils having to cherry-pick what bucket of money works best for them, we have done it in a way such that with one application they are able to apply for the funding component, the Royalties for the Regions, the NDRP program, and the local government grants and subsidies flooding element of it. The NDRP program is jointly funded with the federal government. In the same way that I have been critical of the federal government for elements of that Productivity Commission report, which I stress has not been endorsed by elected officials, I must also praise the government for releasing what was two years of funding through that program that did not get spent. It has made a big difference. We have gone out of our way to make sure that where projects are about building things, we have given them priority. Across the state you will continue to see levees rolled out. We will continue to do things like backflow devices, retention basins and even things like early warning systems, like I said, through those three programs we are particularly pleased with. We must thank the federal government for their contribution through the Natural Disaster Resilience Program.

**Mr SHORTEN:** It might be drilling down a little bit further into the detail. I just referred to the answers to questions on notice and asked if you could provide some more information on the River Road upgrade stage 1, local government grants and subsidies flood project?

**Mr CRISAFULLI:** Very much so. I should start by saying that this project is so particularly exciting because it is another one of those examples of where, if you get your partnerships in place, you can save money. River Road is a council road in the Gympie area, but it has huge benefits for the state transport network. When that section of the Bruce Highway just outside of Gympie is cut, this road, if lifted, which is the plan, will actually reduce the amount of time that motorists will be stuck. So council is willing to allow us to divert traffic onto a council road. In doing so, we will improve the resilience of that section of the highway in the same way that I pushed very hard for Blakeys Crossing to be upgraded in my home city of Townsville. Even though that is a council road, it is the same principle. The Bruce Highway at this point has flooded around a dozen times in the last few decades. There have been situations in the last couple of events—in 2011 and 2013—where it closed for five and six days respectively. With a contribution of a little over half a million dollars, this road will be upgraded and that immunity will be provided. I went and inspected it recently with the Deputy Mayor, Tony Perrett, and commended council on putting that project forward. It is a very good project in terms of resilience not just for that community but also for the entire state in providing access at that point.

**Mr MULHERIN:** With reference to the SDS, support for local government financial sustainability, will the minister explain his public silence about the rapidly growing debt of the Liberal National Party Brisbane City Council administration, which stood at \$2.48 billion at 31 December 2013? According to the midyear report of the Queensland Treasury Corporation, this debt now represents 37 per cent of all local government debt in Queensland for a council that represents only 24.3 per cent of Queensland's population.

**Mr CRISAFULLI:** Thank you for the opportunity—

**Mr MULHERIN:** We had this discussion last year.

**Mr CRISAFULLI:** I was going to say that it is hardly public silence, because it is the one trick the member for Mackay has every year.

**Mr MULHERIN:** You and I have had the discussion but whether—

**Mr CRISAFULLI:** You are in luck. This year it goes half an hour longer so that—

**Mr MULHERIN:** You have been quite silent other than our discussion.

**Mr CRISAFULLI:**—you have more exposure. As I said to the honourable member for Mackay, who continues to talk about the Brisbane City Council's debt issue, if there was an issue with the debt level of the Brisbane City Council, it would not be rated strong. I would love nothing more than the other 76 councils in Queensland to be rated strong with a neutral outlook. It would be a blessing.

The debt level of the Brisbane City Council, as you say, has peaked now. If you look at the forward projections, it continues to come down from this point. To the council's credit, it has built infrastructure—good infrastructure, the kind that communities need, not dams that do not get built and pipelines that do not run to the dams. It has been built and to maintain a strong financial rating during that period is, in fact, a big achievement. I would acknowledge that achievement of any council, whatever its political colours. It is in a financially very strong position.

**Mr MULHERIN:** This debt has been racked up in six years, \$2.48 billion, because when the previous Labor government—and you made mention of the water grid and the water assets—went about establishing the Seqwater grid, they acquired and paid for the water assets of Brisbane City Council, which effectively wiped out their debt situation. However, within six years it has climbed. When you look at 2014-15, its net debt to revenue ratio stands at 67.1 per cent. That is according to the council budget of 2014-15. If you compare that to the Queensland net debt ratio for 2014-15, it is 21.8 per cent. Minister, you are good at lecturing people about debt, but what have you told the Brisbane City Council about their debt position?

**Mr CRISAFULLI:** The member for Mackay has quite rightly pointed out the fact that a smaller number of councils have a larger amount of debt; those larger local governments have that larger amount of debt. He speaks about the population of Brisbane bearing a larger percentage. Please allow me to give a figure that I hope puts it in context. If you look at the debt per capita for the Brisbane City Council, it works out to about \$2½ thousand per person. The debt that we as a state government have to overcome is in the order of \$15,000 per person. If only we had the headache of a \$2½ thousand per person debt burden. It is many, many times more than that. If only we had a strong—

**Mr MULHERIN:** You never talk about net debt per ratio; you talk about gross debt per ratio.

**Mr CRISAFULLI:** On any rating, as I have said the last two years, a council that has a strong financial rating is not one that keeps me up at night worrying.

**Mr MULHERIN:** Minister, have you considered any alternative mechanisms for borrowing needs for local government?

**Mr CRISAFULLI:** It is an issue that has been raised previously, that I know has been tossed around many times. The rate at which local government can secure its funding from the Queensland Treasury Corporation has always been viewed as a pretty sound bet. What I have done is encouraged councils to look for other opportunities when it comes to using their money and their assets. That is where the real opportunities for local government are. As part of the capacity building and one of the things that came out of the regional round table was our desire to get councils to look at their opportunity to use some of their surplus land to try to generate economic opportunities, and that will take different forms for different councils. For a rural or Indigenous council, it might be getting some of their land and leasing it for agricultural pursuits. For a Mackay or a Townsville council, it might be getting that land and doing a partnership through development to create a community benefit but also an economic benefit. I think that is where the next challenge for local government financial sustainability is rather than where they source their money from.

**Mr MULHERIN:** Minister, have you done any modelling on that or has the department done any detailed work around those major provincial councils along the coast, because they do not seem to have any surplus land for sporting clubs or things like that but a lot of their land is tied up in habitats?

**Mr CRISAFULLI:** Not necessarily. In fact, there has already been some interest from some councils looking at opportunities to do a number of things that will come out of the round table.

**Mr MULHERIN:** Can you give examples, Minister?

**Mr CRISAFULLI:** We have had a handful of applications through the Minister for Natural Resources and Mines who is trying to help some of the Indigenous councils in terms of their landownership. I know my home city of Townsville has spoken about a parcel of land in the actual CBD that it has looked at for some possible economic opportunities as well. So they are there and council has the opportunity also through planning provisions to be able to get some results.

**Mr MULHERIN:** So this is more to do with EDQ, Economic Development Queensland, and the priority development areas and those sorts of partnerships?

**Mr CRISAFULLI:** Not necessarily. It is something councils may choose to pursue on their own.

**Mr MULHERIN:** I know in the area where I come from the government knocked back a partnership arrangement in relation to land which could have led to improved sporting facilities for communities in the fastest growing area to the north of the city of Mackay.

**Mr CRISAFULLI:** I think I said not necessarily, but okay.

**Mr MULHERIN:** Minister, I refer to page 9 of the SDS and note that according to the SDS in terms of red-tape reduction the department will continue to review the Local Government Act 2009, the City of Brisbane Act 2010 and associated regulations during the 2014-15 financial year. Which topic areas of the Local Government Act 2009, the City of Brisbane Act 2010 and associated regulations will the department review during 2014-15?

**Mr CRISAFULLI:** Again before I embark on that I probably should give some context about where we started. Upon being elected to government we said that we would change many elements of the Local Government Act and before we did I embarked on what was a listening tour of all listening tours and went to every council chamber and sat down with the mayor and councillors and local MPs—

**Mr MULHERIN:** Only governments do those listening tours.

**Mr CRISAFULLI:** Okay, I will take that and I respect the member for Mackay for pointing out that I visited all 73 local councils, and it was an excellent experience and through that there were a number of things put forward and they involved some of the things that we have discussed already such as removing some of those frivolous conflict of interest matters. They involved the ability for a councillor to run for public office. They involved putting mayors and councillors back in charge in terms of little things like who gets to appoint senior staff and changing the balance to make sure that those who run for public office can actually make a difference. We will continue to work with councils, and I said at the time—that is, in late 2012 when that act was passed—that it would not be the last time that we reformed the act. In fact, we changed it to enable the deamalgamations to take place. That was another change we made. So we will continue to work with councils about putting the changes that they see that are relevant whatever form that takes, whether that means assisting them to be competitive or whether that means assisting them to reduce red tape. In whatever form, we will work with those councils to continue to reform the act to allow it to be about what local government is about—that is, actually being able to mobilise and serve your community in the way that you think is best and if your community then disagrees they are able to pass judgement in the cleanest of fashions, because it is the level of government closest to the people and people make an assessment with very clear vision as to whether their councils are performing or not. I have every faith in people making the right decision provided those elected officials are able to chart their own course, and we will continue to make sure that the act is responsive to that.

**Mr MULHERIN:** Minister, you spoke about the ministerial round table that you had in Townsville with local government. Was that meeting open to the media at all or was it just a closed, behind-doors meeting?

**Mr CRISAFULLI:** I cannot recall, Mr Chairman. I cannot recall.

**Mr MULHERIN:** What were the results of that round table? Have you published them anywhere?

**Mr CRISAFULLI:** Yes.

**Mr MULHERIN:** Is that on the website?

**Mr CRISAFULLI:** There were nine key points that came out of it and in fact there have been some big wins on six of those nine. The other three are for local government to follow through, and they are doing that. I will touch on a couple of things. One is the one I mentioned before, and that was about councils talking about surplus land. We have now implemented a system where on a weekly basis councils get emails talking about surplus land in that if the state has any surplus land local government will get first opportunity to work with us on that. We embarked on a pilot program with seven councils through the Queensland Treasury Corporation regarding depreciation. That was one of the things that specifically came out of that—depreciation was a big one—and that is where the journey began for Indigenous councils, particularly about rating properties. So it has been positive. There is more work to be done. One of the matters that was raised was in terms of empowering the regions in terms of government services, and that is one of the key themes of the Queensland Plan. That is one element where in my mind the mayors and CEOs have really begun the journey on that and we will drive that very hard in the Queensland Plan. That in my mind is one of the key things that we have to get out of the Queensland Plan—that is, empowering those regional areas. All in all, it has been a positive start and we will be holding another one shortly. We aim to do it on specific issues, but the ball is well and truly rolling on that.

**Mr MULHERIN:** Minister, in your answer to question on notice No. 15 of this committee you advised that one of the priorities agreed to at the ministerial regional round table was a review of regulations and standards pushing costs on to council. You advised that under this review standards which were potentially driving infrastructure costs up for local government had been ranked in order of priority. Can you please advise of the three standards which have been ranked as the highest priority for your review?

**Mr CRISAFULLI:** There are a couple of elements to that. One is the standard of service that local government gives, and that is one of the tasks that local government has been given to go and look at. I guess the question is: what services are local government providing that it believes in the interests of being financially sustainable that it should not, and councils are looking at that? I know from past experience that it is very difficult for a council when a state or a federal government stops funding a service that the council was responsible for actually delivering, because it is very difficult for a council to, once that funding dries up, whether it be because it is a trial or whether the funding is removed, say to its community that it cannot continue to provide that service. So that was one element. I also spoke at that regional round table—and, again, this is one for the councils to do rather than us—about what are the opportunities for local government to use their joint capacity, whether that be their buying power or whether that be in terms of providing those services, to drive their value further. For example, does local government need 77 payroll departments? That is something that Paul Bell has spoken about many times. Somebody posed that on behalf of Paul Bell, who had made that statement before. Does local government need to buy their individual products or is there an ability to get together and pool their buying power to do so? So there are a number of opportunities. On a state front, I would put the priority in terms of infrastructure standard and in the course of the next months and years that is the big challenge for local government about standard of infrastructure. That is the one where we as a state have a role to play to assist them.

**CHAIR:** Thank you, Minister. We will move on now.

**Mr MULHERIN:** I will come back to that.

**Mr GRIMWADE:** Minister, I want to further touch on some of those flood levy projects you spoke about earlier. One that interests me is the Boulia racecourse flood levy that is being built out there. Can you give us a bit more background and provide further details with regard to that project that is being delivered under the local government grants and subsidy flood project?

**Mr CRISAFULLI:** It is indeed an exciting project, and the reason why is that what might just seem like a small piece of infrastructure is the lifeblood of that community.

**Mr MULHERIN:** This is Boulia, Minister?

**Mr CRISAFULLI:** Yes.

**Mr MULHERIN:** Rick Britton.

**Mr CRISAFULLI:** Big Rick. The member for Mackay quite rightly points out Rick Britton, one of the great bush mayors. It is not just the racecourse; it hosts the rodeo, the camp draft, their famous camel races. It is really a hub of that community. Council identified an opportunity to improve the

effectiveness of that venue to be able to make it a safer place. They have come to us with a proposal where we are going fifty-fifty. Our contribution is in the order of \$320,000 and council believe that it will save them money in the long term because of the damage to infrastructure there whenever there is a big flood. Best of all, the job is currently out to tender, so it is full steam ahead. It is another one of those small projects that can do so much to a local community. I have every faith in the council delivering it and delivering it to a standard to protect the community.

**Mr GRIMWADE:** I ask the minister to provide some details in terms of the funding for the NDRP. What is it about and what funding options are there?

**Mr CRISAFULLI:** It is an excellent project and it is one that is funded jointly with the federal government. It has in the past been a big focus on study and design. This year I wanted it to be more about delivering outcomes, and that is not to say that there is not a place for it funding some of that design work. However, I also think that that does not mean that it should not be there to fund other things—things like rainfall gauges, things like hard infrastructure—and with the support of the federal government we have moved on that. This year there is in the order of about \$27.8 million in funds available, and I acknowledged before the fact that the Abbott government did move swiftly to sign that off; we had tried unsuccessfully prior to the change of government to get that signed. We have approved in this round 57 projects for 35 councils and I have announced quite a few of them. I was in Yeppoon the other day to announce four stages of funding in the CBD there which are great projects, and we all remember the images from March of this year when the flood came through the CBD. There are also a couple of projects on the Sunshine Coast, and I know members would be interested in Surf Road and Okinja Road there. So there are some projects, but it is a balance. There are some hard mitigation whilst there are also some gauge projects and a small element of planning, and I think we have the mix just about right. As I have said, I have every confidence that we are going to see more projects of this ilk rollout in the years ahead because the government has an appetite to back councils up and do them.

**CHAIR:** Thank you, Minister. I just cannot miss the opportunity here, but you did give a response to the questions on notice in relation to the Roma and St George levees. I think it is important that we get the details out about how those projects have been going. Do you have any additional information that they might be interested in?

**Mr CRISAFULLI:** Thank you, Mr Chairman. I know both of them are near and dear to your heart and both of them are excellent projects. I will start with Roma, because that town has had its fair share of damage with flooding in three consecutive years: 2010, 2011 and 2012.

The proposal in Roma is to provide protection for up to a one in 1,000 year event. That, quite frankly, is very, very special. I think we have contributed in the order of \$12 million in funding and it is about 95 per cent complete. There is a small issue with acquisition that the council is negotiating with an individual. I have spoken with Mayor Loughnan, and I have urged him to get that mopped up and finished as soon as possible because it is not just the protection that will come from it. I have every faith that the community will be protected this wet season; there is no doubt about that. But the sooner that that can happen, the sooner residents can go to their insurers and start buttonholing them and demanding lower premiums. Once that gets finished, the ball is in the court of the insurers to come good with their promise to lower their insurance premiums, and that will make a real difference to the cost of living for the people you represent.

You mentioned St George, and there is probably no council that has grabbed the bull by the horns as much as that council has. I have to pay tribute to Mayor Donna Stewart as one of the true forces of regional Queensland local government. She has driven that project, and I often say—and you were there for all of these—the day that we announced it there were protesters, when we checked on its progress there were protestors, and when we opened it there were protestors. But to her great credit she held her nerve, and to your great credit you held yours and backed your community. Because whenever you embark on these projects there are always winners and losers; that's the nature of building levees. In the past we have had a reticence to do that, both council and state, because it has been easier to leave it in the 'too hard' basket. But she has driven it. I probably should also say that there is another project which is nearly underway and that is in Bollon. Again that has come about purely because of the partnership between you as the local member and her as the mayor. She applied for funding, and we said to her that we would do it on the basis that she would have it done this wet season, and it is going to get done. That is exactly the sort of councillor you want to do business with.

**CHAIR:** Minister, in relation to insurance companies has there been any success in some of them reducing their levies in those other towns?

**Mr CRISAFULLI:** Thank you, Mr Chairman. Certainly in St George the early signs are good. I know in Charleville there are some good signs. But Roma is really going to be our benchmark because Roma is where the insurers made some very, very big calls. They were calls that were reported widely, including in our national newspaper, and they were calls that we would see insurance premiums fall by up to 80 per cent. We intend to hold them to account. In reality at the moment to say the levee is not complete is correct, and I have said to the council that I would really like to see them finish it. If there was a flood they could mobilise around that. But once that technicality has been overcome, once that issue with that landowner has been overcome, I am urging the council to make it known very, very clearly that it is mission accomplished. Then I think we have a role to play to also push the case very strongly for the people you represent, because what we have seen in relation to insurance premium cases in Roma quite frankly has been diabolical. There have been people who have seen their insurance premiums go up many, many times over. There have been people who have not been able to get insurance policies. It has been a real whack for those in the bush, and this is a big win and we intend to make sure that they come good on their word.

**CHAIR:** Minister, I have had communication with different people whose houses were nowhere near the flood level, but their insurance has gone up as well. Has there been any progress made with insurance companies in relation to houses that were not flooded and are not likely to ever be flooded?

**Mr CRISAFULLI:** That is the absolute absurdity of it. To somehow decide things on the basis of post codes is crazy. We have taken the case up very, very strongly with the Insurance Council to say that if the individual can prove that he or she is not at risk, there is no way they should bear the cost. There is another thing we are doing, and that is we are working through the Insurance Council to ask them to reward the individual who makes mitigation measures on their own property as well. I will give you an example. One thing that I noticed that is absurd is that if I phone up my own policy provider for home theft, over the phone I can be told what difference to my policy it makes if I have an alarm or security screens. Those things can have a direct benefit to the cost of my insurance, and I think that the same should apply for flood mitigation: both what the council does through the programs that we are talking about today and also through individuals, and we will make that case very strongly.

**CHAIR:** Minister, are local governments across the state advising insurance companies of flood levels or updating them all the time as they get the information? What should councils across this state be doing as soon as they get new information?

**Mr CRISAFULLI:** Without a shadow of a doubt. That involves things like floor height levels as they do them and that involves updated flood modelling maps. All of that should be passed on very quickly. But the other thing councils do is they have a duty to provide the resilience and mitigation measures that some councils have done. I think all local governments have a role to play, and the state and federal governments have a role to support them in that. If you look through the list of some of those projects that will be ticked off in the upcoming years, it will be a real legacy and something that I think every Queenslander should be proud of: proud of the local leadership that has been shown and proud of the fact that the state has been willing to back them up. It will be a legacy for the way that the state gets ready for disasters. We have a view and a vision that Queensland will be the most disaster-resilient state in the nation. We are not at the moment, and that quite frankly is absurd because we are at the whim of Mother Nature in many different forms. We have that desire and we are going to get there, and we are going to get there by mitigation and we are going to get there through rebuilding assets back to a better standard than when they were washed away. We are going to get there by programs like Get Ready Queensland that say to the individual, 'You have a role to play as well.' All of those things are going to come together to make Queensland a safer place to raise your family.

**CHAIR:** I call the member for Nudgee.

**Mr WOODFORTH:** In relation to that, Minister, can the minister contrast the different attitudes to flood mitigation displayed by the various federal, state and local members who represent Rockhampton and surrounding areas?

**Mr CRISAFULLI:** Sure. Thank you, Mr Chairman. There are certainly different views. The mayor is very, very strong in her desire for a levee, and the levee has been referred to as the Depot Hill levee because of its location. But it is more than that; it is about protecting some industrial areas as well as some homes in a couple of suburbs, not just Depot Hill. The state and federal MPs of both sides of politics do have some concerns, and they have raised those concerns. But I have said—and

it is a good opportunity in this committee to do the same—to the community in Rockhampton that if this is a project that is important to them, they need to make sure that they come with one common view and one common goal. That goal is about delivery, cost alignment and benefits, but they all have to be there. It has to be driven by all levels of government, the chambers of commerce and the business community.

If I can contrast that with what has happened in Livingston—and I used the example before from Livingstone Shire—when the flood went through the place in March. The council did its numbers at about four stages in the process to mitigate against the CBD. Bruce Young is the local MP. He went in boots and all and came lobbying. The council put in a contribution. Funding has been granted and work is going to begin within weeks. It is so much easier when there is a sense of purpose. You are never going to have an entire community which supports everything you do; that is a given. But that leadership needs to be shown and it needs to be concerted leadership. My message to Rockhampton is the project is not dead and buried forever. It is there waiting for the council to find the best cost solution and for the community to get on board through its state and federal members of parliament.

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

**Mr MULHERIN:** Just back on insurance, Minister, you said that in Roma with the flood mitigation measures that have been undertaken that you would expect insurance premiums to drop by—did you say 80 per cent?

**Mr CRISAFULLI:** No, I said that was what the insurance companies claimed.

**Mr MULHERIN:** And then you went on to say that if it does not happen you will hold them to account. How will you hold them to account? What power do you have as minister to hold these insurance companies accountable to deliver on that?

**Mr CRISAFULLI:** Mr Chairman, I will assist the member for Mackay in pointing out that the budget statements do talk about mitigation, so at least we can try and get a link back to the SDS. I will help you out on this one.

**Mr MULHERIN:** We had a broad discussion on insurance, Minister.

**Mr CRISAFULLI:** I know.

**Mr MULHERIN:** It is an area where both you and I have grave concerns in the longer term about people being able to insure their properties.

**Mr CRISAFULLI:** I will help you draw the bow so that I can answer your question. Let me give you a hand. In the only way that you can in a free and democratic society: that is pointing out those companies that are not prepared to come good on their word. They made some very definitive statements, and to my mind if they do not come good on their word in that community, they should be exposed across the state.

**Mr MULHERIN:** So you are going to put up a website of all the offending insurance companies? Because I know where I come from there are a lot of insurance companies that won't insure. I was insured for many, many years with a particular insurance company called Allianz. I have never had a claim and I am not in a flood affected area of Mackay. My premium went from \$4,000-odd to \$11,700 before we gave them the kick and went to Suncorp. But recently a woman who works part time came into my electorate office and said that she just could not afford the insurance. I arranged a meeting with the council because, looking at the map that the insurance companies were working off of, it was incorrect. We sat down with the council and went through it, and council were willing to provide a letter for insurers. Guess what happened? There was no change with these insurance companies. So what is something pro-active that you are going to do? Are you going to put up a website and advise Queenslanders that these are the companies that won't dance?

**Mr CRISAFULLI:** I guess, member for Mackay, we could always call on our northern colleague to put it on Mythbusters. That could be one opportunity. I think the other one is to—

**Mr MULHERIN:** I thought we were in agreement here on insurance stuff, Minister.

**Mr CRISAFULLI:** We are. I think the other opportunity is to expose the companies in the same forums that they raised it, and that is in a free and democratic press. I genuinely believe that they have made some very, very definitive statements, and we will hold them to account. They have also made some incredibly glowing comments as an industry about the mitigation that has occurred in Queensland, and they have said that it will be responsible for driving down premiums. We must hold them to account on that and if you have any ideas, I would be very happy to take them on board.



**CHAIR:** Thank you, Minister. Member for Mackay.

**Mr MULHERIN:** Maybe it is something about which you would want to talk to your colleagues responsible for consumer affairs at a state and federal level and look at some sort of portal that gives good advice to consumers around insurance.

**Mr CRISAFULLI:** And we continue to put the message that if people get a howler of a premium they should absolutely not see it as something they must cop on the chin. They should shop around and they should make very clear the fact that prices have gone up. We continue to talk to the federal government, who regulate insurance, about coming good on what they have said they are going to do as well.

**Mr MULHERIN:** Minister, I come back to your ministerial round table with local government. You have indicated that there are three standards, with standards of service, opportunity for joint capacity of purchasing services and state-wide infrastructure standards. When you talk about standards of service and in particular analysing the services that local government provide, what are the areas local government could get out of?

**Mr CRISAFULLI:** But that is a matter of them, member for Mackay. The point that was raised was that they need to go on that journey themselves. We are not in the game of telling councils what they should and should not do. In fact, if there is a hallmark of what we have done it is to empower them to make their decisions.

The point that has been made is that local government have some huge financial challenges—particularly some of those smaller rural and regional councils, who have big challenges in servicing small populations at a time when the federal assistance grants have been frozen. That is a big challenge for them. My message to them was that as an industry they need to look at their service level and throw that into the mix. That is one of the things.

One thing that is not an option is continuing to put up rates to a level that the everyday person cannot afford. I think that is something those councils acknowledge as well. Generally, across-the-board, the rate rise this year has been reasonable compared to past years. Won't it be a wonderful thing that we will all be cheering when councils start getting a rebate for the removal of that insidious carbon tax?

**Mr MULHERIN:** Minister, you rightfully pointed out—

**Mr CRISAFULLI:** Are we still in furious agreement?

**Mr MULHERIN:**—that rural councils provide a lot of services, particularly where there is market failure.

**Mr CRISAFULLI:** Yes.

**Mr MULHERIN:** It is very difficult for those councils to opt out of the provision of services where there is market failure because, normally, they are the biggest employers in the region. What further assistance can you give those councils so they can continue to provide that service where there has been that market failure?

**Mr CRISAFULLI:** It is an excellent question. I think it comes back to what I said before. It is also about looking at ways they can increase their income without slugging the ratepayer. That might be through opportunities through leasing for agriculture, which I spoke about before. It might be through some other commercial opportunities. I know that some councils are looking at ways of getting some little businesses going—business incubation. We have helped some of the Indigenous councils with some economic development opportunities to try to find a way to improve their own-source revenue. So that is one element.

You spoke about the service level. Again, that is something that councils indicated was one of the issues they wanted to follow through on. My message to them is that it is always difficult, but that is something they have to look at—like every government does.

**Mr MULHERIN:** Minister, getting on to the opportunities of joint capacity in service delivery and also purchasing services, do you see a bigger role for regional organisations and councils? I think probably one of the best examples I have seen of local government—rather than being parochial—looking at delivering services in the western areas is RAPAD. You have the Cairns ROC and the Mackay-Whitsunday ROC. Do you think the move into the future will be for a lot more capacity building around regional organisations and the merging of back-of-office of council?

**Mr CRISAFULLI:** Again, that is a matter for the local government. The ROCs can be a useful tool. In the past they have been a useful tool in lobbying for funding from government, but it is entirely a matter for those councils. We want local government to control their own destiny. If you are after the

big headline about me telling them to stop doing services, you are not going to get it because philosophically that is not what I believe in. I believe that councils need to control their own future and their own destiny. We as a state have a role to try to help them. I have mentioned some of the things in terms of working with them for capacity building—helping them as much as we can—but they have to be in charge of their own future. They have to be in charge of the amount of money they get in and how they spend it. That is the role of local councils. Then they will be judged accordingly.

**Mr MULHERIN:** Finally, Minister, on this topic, what is your view on the third standard relating to infrastructure standards? What are the improvements you want to see there?

**Mr CRISAFULLI:** I want to see a situation where we are building infrastructure at a standard that is affordable but also at a level that our community deserves and expects. I always smile when I hear people talking about the issue of infrastructure charges. Whilst that is a matter for the Deputy Premier, I always smile when people talk about infrastructure charges and who pays what, where and when. It is the same person who ends up paying. That is the absurdity of what we have seen with the way infrastructure charges have been done in this state over the last half a decade. That is, it has not taken into account that the biggest issue is the standard of the infrastructure. It is not who pays what at what point in the cycle; it is what is the 'what'? That is where our real challenge needs to lie. It has to be on the types of roads we are building and the types of parks. That is, again, something that local government has been wanting to drive and is the future of infrastructure.

**Mr MULHERIN:** Minister, I refer to page 2 of the SDS, which mentions support for local government financial sustainability. This relates more to the deamalgamated councils. It might be something you or your director-general would like to comment on. First, have there been any operational difficulties with the deamalgamated councils of Livingstone, Mareeba, Douglas and Noosa? Have there been any corporate governance difficulties with those same councils?

**Mr CRISAFULLI:** I am not the—

**Mr MULHERIN:** That is why I have said that the DG might have.

**Mr CRISAFULLI:** I just fail to see how an estimates hearing about budget for local government should wish to discuss corporate governance for a council.

**Mr MULHERIN:** It is something that one of the officers of the parliament—the Auditor-General—often reports on. I thought it would be of interest. It certainly interests me, being a former member of the public accounts committee and talking about ratepayers and taxpayers being the same and about value for money.

**Mr CRISAFULLI:** But how does that refer—

**CHAIR:** Maybe you could rephrase the question.

**Mr MULHERIN:** It relates to financial sustainability. These councils are newly created as a result of deamalgamation. I am inquiring whether there have been any operational difficulties or any corporate governance difficulties. It is pretty straightforward. It is not making any assertions.

**Mr CRISAFULLI:** It is a tenuous link, but I will do my best to answer it. I will start with the process of deamalgamation. We went through a very lengthy process. We said to communities that where they were able to show that there could be two viable councils created we would allow a vote on that. We said that all of the costs would have to be met by the council seeking to deamalgamate. We put costs on the table and we said very clearly, 'These are the costs of the deamalgamation if all costs are passed on. Individual organisations can cut their cloth to suit.' But we put that there for councils who deamalgamated. All four councils are underway. All four councils have begun their journey. They have handed down their first budget. As you know, as one of the changes we enabled them to do their first budget very early on in the piece. All four councils will be judged by their communities as to whether or not they succeed or fail.

I would suggest that if the issue of corporate governance is one that is of burning interest to residents of any of those four communities they will cast their vote accordingly at election time. I am not sure it is something that I will be focusing my energy on. I will be focusing my energy on helping local government deliver for their community.

**Mr WOODFORTH:** Minister, I take you back to the NDRP. I refer to the answers to the questions on notice. Can you provide some information on the raising of Jericho levee and the lowering of Redbank access under the Natural Disaster Resilience Program?

**Mr CRISAFULLI:** I thank the member very much. This is, again, another great little project. It is one that came through from the Barcaldine Regional Council. It is a very, very small section of levee in a very small community, but it will make a very big difference. In fact, we are talking about only

150mm. We are only talking about raising it a very small amount for a section less than 100 metres, but it became clear that if the levee was going to be breached it was going to be there. It came oh-so close in the last flood to overtopping.

To the great credit of the council, it immediately looked at it, understood our desire to try to improve flood mitigation in the state, saw an opportunity to apply for funding through the project and planned and delivered. That is exactly what we want to see. Government is not always about waiting for a problem and then fixing it but about getting in and fixing something before it is an issue and in the process lifting the immunity and lowering the need to evacuate their local residents.

**Mr GRANT:** Minister, I have a question with respect to emergency power and the Natural Disaster Resilience Program. Can you give us details on what is in place for such provision?


**Mr CRISAFULLI:** Indeed. I thank the member. Having a dedicated power supply is very important. In some councils, that is one of the first things we have noticed has not been up to scratch in many of the local disaster management plans. The Southern Downs Regional Council did a review of its plan and found that the council chambers and administration centre, which operates as the coordination centre during disaster in Warwick, was one case. It needed back-up power. They came to us with a proposal to purchase a portable generator. We have funded around \$44,000 through that joint project with the federal government. They have put in \$11,000. It is underway.

I would like to use this as an example of a project funded through the NDRP that is a little bit out of the box. The majority of that funding has gone to the hard infrastructure. The majority of that funding has gone to those gauges I mentioned, but there are also things like this, where a stitch in time really does save nine. This was a great little thing that was identified as a potential for something going wrong. In a place like the Southern Downs, which has predominantly two larger centres but a number of different centres, having that back-up power is huge.

**Mr GRANT:** A bit of a state-wide check on that type of concern.

**Mr CRISAFULLI:** Yes. We have had a real push from councils in this space, in disaster management mitigation. The last five years have definitely tested communities. But on the other side of it, there has been a much better preparedness from authorities. We are calling on the community to be part of that journey as well. That is one of the reasons we were so keen on that Get Ready program. If we can empower the individual to be as enthusiastic about doing their little bit, that is one less person in a disaster who needs to get helped. That is very important.

#### **Proceedings suspended from 3.30 pm to 4.03 pm**

 **CHAIR:** The estimates hearing of the Transport, Housing and Local Government Committee has now resumed. We will continue with the examination of the estimates for the Minister for Local Government, Community Recovery and Resilience. I call the member for Algeester.

**Mr SHORTEN:** Minister, you recently announced that the 2011 and 2012 disaster events had come to a close in terms of recovery. Can you provide the committee with details of the speed of that recovery?

**Mr CRISAFULLI:** I can. I thank the member for the question. The recovery has come to a close and with it marks probably the biggest recovery in the nation's history from natural disasters. The committee would recall last year at estimates I was questioned about what would happen if the 30 June deadline was not met. I said that we were not in the frame of giving extensions. We wanted that delivered. To the credit of the councils, that work has been done and we closed the books on \$8.3 billion worth of reconstruction.

To put that into perspective, that reconstruction bill is the equivalent of building 29 Suncorp Stadiums. I mentioned in one of my earlier answers about the Department of Transport and Main Roads and the work that they have done. They have repaired more than 8,000 kilometres of state controlled roads from the 2011 and 2012 events. I mentioned that they were given a task of expenditure and they met it this year—a huge task—and I give credit to them. The amount of state road alone that has been reconstructed would be the equivalent of Cairns to Brisbane return and back again. That is a huge task. That is just the state component.

I mentioned earlier that three-quarters of the work from the recovery of 2011 and 2012 was conducted after March 2012, meaning huge financial challenges to overcome. Probably the most staggering statistic is that all 73 local governments were impacted in some way, shape or form across those two years. I think that just shows how broad it was and what challenges it threw up—different

amounts in different regions with different assets, but all councils had some form of recovery. The Reconstruction Authority processed more than 2,500 applications. It was a huge task but one that I know Queenslanders have seen the results of in partnership delivering on the ground.

**CHAIR:** I call the member for Algeester.

**Mr SHORTEN:** In relation to that previous question, Minister, can you outline lessons learnt from the 2011 and 2012 disaster events?

**Mr CRISAFULLI:** Thank you for the question. Very much so. Probably the biggest one is one I mentioned before and that is the early deployment of staff. In fact, I have to say in the most recent event, in Ita, staff from the Reconstruction Authority were actually on the ground before the event, which is quite incredible really to think that they were in a position to react so quickly. It is in fact a credit to them, too, and also their families, to head into a disaster zone. To be willing to do that is magnificent, and I pay tribute to all of them.

I might talk briefly in regard to betterment. I have touched before on the absurdity of replacing like for like. The lesson learnt from 2011 and 2012 was that the community have a thirst to do things better. They have a thirst not to go through the motion of replacing the same things in the same way to the same standard and expecting a different result. That was the hallmark of what we learnt. Whilst the Betterment Fund that we negotiated was certainly much less than we had hoped, it proved that there is a better way of doing things.

If you look at the technicality, there was an ability for councils or the state to apply for betterment. It had never been used in the history of recovery in Queensland because it was clumsy, it was bureaucratic and it was quite simply a waste of time. The Betterment Fund that we negotiated with the federal government has proven that there is a better way of recovering.

**CHAIR:** I call the member for Morayfield.

**Mr GRIMWADE:** My next question is in regard to some legislative changes and what local government representatives are talking about—the Local Government Electoral Act changes. Can the minister outline some of the proposed changes that are currently being considered for the Local Government Electoral Act?

**Mr CRISAFULLI:** I thank the member. I can and, as you know, it is currently being discussed at the moment. I see some real opportunities to improve the way we conduct our elections. In fact, when I went around talking with councils one of the things that came through very strongly was that the conduct of the election, quite frankly, was not acceptable. I do not wish to be critical of the Electoral Commission because the reality is they had to conduct two elections within a month. The reality is they had geared up to conduct the local government election in March which was moved to April because of the state having its election at the same time. So it was never going to be an easy task. But the reality was that there needed to be change. There needed to be change in the way that local governments ran the elections, and we saw that. We saw people getting multiple ballot papers or the wrong ballot papers or no ballot papers. It was quite simply crazy.

In relation to the changes that have been proposed, one of them is that, whilst the Electoral Commission will continue to formally run the election, the chief executive officer of the council has the first option to be the returning officer. I think that is a huge step forward. I think it strikes the middle ground. It strikes the middle ground between the long, long history of council CEOs running elections and what we have seen at the last election, which was the Electoral Commission running it. So we have the oversight of the Electoral Commission but the local know-how of people on the ground.

Some other changes are giving the option in undivided councils for optional preferential. We want people to be able to exercise preferences if they wish. So there are a number of small changes, as well as alignment of the Local Government Act and the Electoral Act. But overwhelmingly it is about being efficient. It is about enabling people to make decisions on the ground. I think it will be warmly embraced.

**CHAIR:** I call the member for Morayfield.

**Mr GRIMWADE:** I have heard you a few times today refer to the Get Ready campaign—something that you are obviously pretty passionate about. Page 2 of the SDS, dot point 13, talks about this. Can you explain what plans you have for the Get Ready campaign?

**Mr CRISAFULLI:** Thank you. Indeed it is important. I think it is important because I believe we have got much better at the way we prepare for disaster as a state and as a community, but I think there are still those individuals who need to do a little bit more. I have said all the time we will never

flood proof the state of Queensland. It cannot be done. But we as a state have a job to make sure that when we recover we recover timely and efficiently and that when we provide mitigation we protect the communities. But preparedness is the next piece of that journey, and the resident really does play a role.

I think all too often it is easy to say, 'I'll be okay in the situation.' But you have to do the nuts and bolts. We are going to work again with councils this year, but it is my aim to take it to the next level. I want to get the corporate sector on board. I want to get them enthusiastic about it. I want to get people talking about this. I want local governments to be running events. I want the community to be left in no doubt that they have a role to play and that role might be having your own little kit ready. That role might be doing odd jobs around the house to make it more resilient. That role might be leaning over the back fence and finding out a little bit about your neighbour who you might have to help. Either way, at the time of disasters we do not want able bodied people in a situation where they are requiring help, because our resources need to be dedicated to those who really, really need us and cannot fend for themselves.

The whole idea of the Get Ready campaign is to work with people to be able to make sure that they are ready to play their part. I want to see this year's be an outstanding success.

**CHAIR:** Minister, we touched a bit on this earlier but we did not actually get down to the local government debt. What are councils doing to reduce their debt? I know they ended up in a situation where they had to pay a lot of debt back. What are they doing to reduce that debt?

**Mr CRISAFULLI:** Thanks, Mr Chairman. There is no doubt that in recent years local government has increased its debt. There is no question about that. But there are a few key issues that I take heart from. First of all, as a sector they are in a far better financial position than we are. There is no question about that. We as a state have far more challenges to overcome.

The bulk of the local government debt, the vast majority of it, is held amongst a dozen councils. So, if you assume that local government debt is in the order of \$7.3 billion, nearly \$6.5 billion is held by a dozen councils.

**CHAIR:** How much?

**Mr CRISAFULLI:** \$6.4 billion. None of those councils have what you would term financial issues, and the member for Mackay would be delighted to know Brisbane is one of those. So all of those councils are in a financially reasonable position. But debt is only one element. There are financial challenges for councils more than just debt.

One of the challenges is when we are repaying that debt the loss of the state's AAA credit rating does have an impact directly on local government, and I think that is something that people often lose sight of. When we talk about our desire to pay down the state's debt and make sure that we live within our means, one of the beneficiaries of that will in fact be local government, because with a stronger credit rating from the state comes cheaper borrowing for councils. So that is important for them.

If you look at projection for local government debt, particularly in the biggest council, which is Brisbane, that projection is heading downwards. But councils do have financial issues. Those financial issues are in different forms for different sized councils. But we as a state wish to work with them to try to find every way for them to be financially independent but also sustainable entities.

**CHAIR:** Thank you, Minister. What initiatives have been put in place to encourage Indigenous councils to pursue own source revenue to improve their lot?

**Mr CRISAFULLI:** This is, Mr Chairman, something I am personally very passionate about. This is something that I want to see occur in a couple of ways: the first thing has been the journey to get Indigenous people to be able to own their own home. If that is to occur there is the ability for the council to then begin a system where they have revenue. Like every council in the state they will be able to have a source of revenue from having rateable properties. That is something we should all strive for. Home ownership is the fabric of any good society. Somebody needs to have an aspiration to be able to own a home and have a job and do all the things that so many of us take for granted.

Directly in the area that the department controls, we pulled out a small portion of state financial aid to the Indigenous councils, pulled off a very small proportion, and made a contestable fund of about \$3 million. The contestable fund was broken into two areas: the first was an incentive scheme for those councils who were prepared to make the tough decisions and be able to find ways of

increasing their revenue. That came from things like those municipal charges, water and waste, and the things that those councils are able to get. We were not after them to go out and collect millions of dollars, but we were after them to show a progression, a journey, to show that they were part of this.

The other was economic incentives where councils could look for opportunities to raise revenue, I mentioned some before in answer to the member for Mackay's question, but other little things, economic development strategies, which we rewarded. I said to the mayors at the time when I announced in it the Far North that if they believed in it by all means go and sell it, sell the message; if they didn't believe it feel free to point the finger of blame at me. But either way they had to go back to their communities and sell this journey. Because without Indigenous communities coming on the journey and genuinely trying to find ways to get revenue and getting those communities to function the way they can we will continue to throw money at the problem. The issue with Indigenous communities, and I know you have been to them all, as have I, and most likely as has the member for Mackay, has never been the amount of money that we have given them. Both sides of politics have tried everything. The issue has been self-empowerment and belief. That is the change that comes with ownership and incentivising and trying to get those communities to come on that journey.

**CHAIR:** Thank you, Minister. I call the member for Mackay?

**Mr MULHERIN:** Thanks, Mr Chair. Minister, I heard you commenting just a while ago about the reforms to the Local Government Electoral Act. You indicated that the Electoral Commission Queensland will still have oversight and that there will be options for councils to appoint the CEO as the returning officer.

**Mr CRISAFULLI:** Yes.

**Mr MULHERIN:** As you and I know, following local government elections, if there is a radical change in the leadership—the mayor has been voted out and a new mayor voted in—often the CEO is also moved on in a very short time. How do you overcome the whole issue of the perception of partisan politics if the CEO is the returning officer, particularly in a bitterly fought mayoralty contest?

**Mr CRISAFULLI:** The fact that the CEO is an independent officer who has to abide by—

**Mr MULHERIN:** I realise all that.

**Mr CRISAFULLI:** Just hear me out—has to abide by the same rules and regulations that people employed in the Public Service do. The premise of your question typifies everything that was wrong with the relationship between the last state government and councils. I have every faith in elections being able to be run fairly and freely, as they were for a century under the old system—as they were for a century. I do not for one moment—for one moment—suggest that that would not be the case. However, as a middle ground, to find a middle ground, rather than go back to how it was for over a century, we allowed the Electoral Commission to still continue to run it. So it will be a level of oversight more than what we had for the better part of a century. The change to the last time though will be the ability for the CEO to opt in to be the returning officer if the CEO chooses. That is a decision they can make. In many communities it was a real struggle to find someone to be the returning officer—in some of the remote communities. I think it is entirely fair.

The oversight for the election will be done by the Electoral Commission Queensland. Let us make that very, very clear. The Electoral Commission Queensland will approve the entire running of the election. The difference is there will be local oversight which will stop the absurdity we saw last time where people rocked up to vote and could not get a ballot paper because they had run out, where things were posted from a central position and people received the wrong ballot paper, multiple ballot papers, no ballot papers. In fact, your home city of Mackay was one of the ones that suffered very, very badly—very badly. I think we have struck a very fair and reasonable middle ground. I have every faith that both councils and the Electoral Commission will see it as being a good middle ground.

**Mr MULHERIN:** I think with that one in Mackay, of course, the whole of council was by postal vote.

**Mr CRISAFULLI:** You approved it.

**Mr MULHERIN:** It was a huge exercise. That is what the council wanted.

**Mr CRISAFULLI:** Or Lucas approved it.

**Mr MULHERIN:** Minister, there is still the issue that CEOs and mayors work closely together, just like ministers and directors-general. There is that perception. I was just wondering if you had any suggestions around how do you remove that perception of bias if you have got a bitterly contested election. Obviously you haven't but, yes, the Electoral Commission will provide some oversight.

Minister, just another thing, I was wondering if the department has done any research around the performance of councils that are undivided and ones that have divisions particularly around conflict in the overall performance. Has the department done any research into that?

**Mr CRISAFULLI:** Mr Chairman, it is an interesting question. It is a good question and an interesting question. The way of the past predominantly has been that councils have really, for all intents and purposes, been in charge of their destiny, of choosing which way they go. We have seen a couple of examples where that was not the case. But this is interesting. There is no form of government at a local level that ensures you get good or bad councillors based on divided or undivided. I have served in both—councils where there are divisions and where it is undivided—and in both I have had the pleasure of serving with some very, very community minded people and some people who probably weren't great at the job.

I think ultimately the best way to make a decision is based on community feedback. I think it is up to the local community to make a determination. For example, a place like Boulia, where you are dealing with a few hundred people, it would be absurd to suggest that you would have divisions in a council like that. Likewise in a council like the Gold Coast. It would be absurd to think that would be an undivided council. It would become a de facto senate. Somewhere in the middle exists a point where communities will feel that it should be one way or another, and I think those communities are best placed to do it. My view, and I have said to the councils, and there are a few who are exploring the option of changing both directions, I have said go and engage your communities and get their views and genuinely engage them and see what they like. Interestingly, as I said, I have seen both good and bad serve in both. There are also pluses and minuses for both. An undivided council does bring a perspective where every person is accountable to every voter and genuinely has to have an interest in the whole area. But likewise with divisions you have someone who is a champion for an area. There are pluses and minuses in both.

**CHAIR:** Thank you, Minister.

**Mr MULHERIN:** Thanks, Minister. I refer to SDS reference 2, support for local government financial sustainability. Minister, can you advise if any of the local governments have expressed any concerns to you about the process to develop the Priority Development Infrastructure co-investment program?

**Mr CRISAFULLI:** Mr Chairman, as I said in the question on notice, this is a matter for the Deputy Premier as the relevant minister. I did mention before what my role has been in the infrastructure thing: that has been working with councils in terms of those standards. That is something that I would hope to bear fruit in the months and years ahead. But in terms of the fund it is a matter for the Deputy Premier.

**Mr MULHERIN:** Minister, I accept that it sits with the Deputy Premier as minister for planning, but you are the Minister for Local Government. You get around a lot. I get around a lot. These are the issues that have been raised with me by local government. I note in your response to the question on notice you said that you have had discussions with the Deputy Premier around this. I am just inquiring have they expressed concerns? The program was to be publicly released as at 1 July and at this stage it has not been released. What have been some of the concerns expressed by councils and do you think that you can get around those issues, particularly stuff around fair value where some of the councils may have applied a charge for infrastructure that is higher than what the fair value charges are? That is not about councils trying to profit from these development charges, but provide that infrastructure. Surely it is an area that you would have some interest in.

**Mr CRISAFULLI:** Mr Chairman, as I said, the matter of that co-investment fund is a matter that the opposition had all day to take up with the Deputy Premier.

**Mr MULHERIN:** We did raise it with him and there was not much information that came forward.

**Mr SHORTEN:** He has asked a question. Can he let the minister answer it?

**Mr CRISAFULLI:** I will say, Mr Chairman, in terms of my relationship with local government I would dearly love the opportunity to talk more about that in question time. I have sat in question time for two years and I have had one question from the opposition. It was about water, which I unfortunately do not look after, but I still graced the member for Mackay with a three minute answer on that occasion. I would do the same again if he was to ask me one on this.

**Mr MULHERIN:** We have more fun directing our questions to your Premier.

**Mr CRISAFULLI:** I would enjoy that. Just one—one a year—would be a KPI I would like you to meet.

**Mr MULHERIN:** You should know by now how the game is played.

**Mr CRISAFULLI:** Hopefully by asking questions relevant to the Appropriation Bill.

**CHAIR:** Member for Mackay?

**Mr MULHERIN:** Don't you think, Minister, that strip away the Reconstruction Authority obligations, when all that is over you just become the post-office box for local government; you take the complaints from local government to the Deputy Premier? The Deputy Premier seems to have all the power.

**Mr GRIMWADE:** I don't think that is a question.

**CHAIR:** Member for Mackay, show us where that is in the SDS.

**Mr CRISAFULLI:** I will back my record over yours every day of the week.

**CHAIR:** Righto, you fellas.

**Mr MULHERIN:** Well, we will see.

**Mr CRISAFULLI:** Every day of the week.

**CHAIR:** Can we refer to the SDS in some manner or form in this estimates.

**Mr MULHERIN:** Well, I did. It is about sustainability of councils and these co-investment programs. I think we had the discussion at the last estimates where you gave an indication it would either be a grant program or a loan.

**CHAIR:** Is this a preamble to the next question, is it?

**Mr MULHERIN:** The next question relates to the controlled cash flow statement, page 19 and 24, note 43. I refer to page 19 and 24 of the SDS and the decrease of grants and subsidies from the Department of Local Government, Community Recovery and Resilience from the 2013-14 budget of \$167.5 million to an estimated actual expenditure of \$145.5 million in the 2013-14 financial year. Will the minister explain the expenditure difference between the budgeted amount and the estimated actual expenditure in each of the following programs: the Local Government Grants and Subsidies Program, the Water and Sewerage Program, the Smaller Communities Assistance Program?

**CHAIR:** Can we do one at a time?

**Mr CRISAFULLI:** I am happy to take the question.

**CHAIR:** Minister?

**Mr CRISAFULLI:** Thank you for the opportunity to answer the question. The member for Mackay should well have taken notice of my answer last year. Whoever wrote that question should be admonished for not listening to the answer last year because it is the greatest Dorothy Dixier of all time. The big issue with local government grants and subsidies has always been the deferrals. It all started in the year before the election when a whopping great amount of money was not spent. I would love for you to be in a position to be able to point the figure of blame at the councils, which would please you no end, but it is very difficult to spend money when you are not allocated the money.

**Mr MULHERIN:** Minister—

**CHAIR:** Let the minister finish.

**Mr CRISAFULLI:** What happened—

**Mr MULHERIN:** Slur.

**Mr CRISAFULLI:** We can always look back at the facts. What happened is a budget was handed down in June that had funding for Local Government Grants and Subsidies. The projects were approved not in the following month, which is what I have done, not in the following couple of months, not in that calendar year but were kept back as some sort of pork-barrel to announce in the lead-up to the election. The minister was so incompetent that he was not able to get even that right, so some of the projects had to be signed under caretaker mode because even they had not been given out. If you are not approving successful applications until March of that financial year and then the council goes to an election in April, how on earth do you expect local government to spend that money? That has been the problem with the whole way the Local Grants and Subsidies Program has unfolded.



Fast forward to what happens now. First of all, we approve them in record time. Again, this year they have gone out the door in record time. As I said in my opening statement, we have seen the reduction in those deferrals by around 45 per cent. That was purely on the back of that. So to somehow suggest that a decrease in the money available for council is absurd because you cannot spend money that you are not given no matter what a budget line item looks like.

**CHAIR:** We might move on. I call the member for Nudgee.

**Mr WOODFORTH:** I see something in the SDS about health and fitness. I might pick up on that question. I refer to the answers to the question on notice and ask you to provide some information on the Gin Gin public pool—toddler—expansion, a Local Government Grants and Subsidies infrastructure project?

**Mr CRISAFULLI:** I should acknowledge the fittest member of the parliament for asking the question. I am trying, but I am miles behind. It is a great little project and it is one that the Bundaberg Regional Council came to us with. They did an analysis of the town and found that there were over 250 kids aged between zero and four in that community. So it has had a little surge. The pool had not been upgraded since the seventies. It was only a small upgrade of about \$80,000 of which we gave \$20,000 and the project was completed in February. It gives me the opportunity to talk about what I see as a new key role for local government and increasingly an important one, and that is getting its community healthy and active. I have gone out of my way to fund projects where there is an element of activity. Whether that be off-leash areas, fitness parks or upgrades to public facilities like this, I think we really have a role to play.

I went and had a look at a project the other day at Margate. We have just upgraded that area through the Betterment Fund to strengthen the resilience of the wall and they are creating a little public space. The local member, Lisa France, was there with the mayor. She mentioned a great little park area and we got talking about fitness equipment. As a result, they put in an application in this round of Local Government Grants and Subsidies and it has been approved. They are going to put in a little fitness park there. Gone are the days of roads, rates and rubbish; local government is so much more. Our public space and interactive nature is such a big part of it. I really believe that every council in the state, big or small, should be enticing its residents to get fit and healthy, whether that be through quality of parks, footpaths, fitness equipment or pools—whatever it is—anything that can engage people in a fit and healthy lifestyle results ultimately in all of us winning as a community.

**Mr WOODFORTH:** I refer to the answers to the question on notice again. Can you provide some information on the Gayndah Mundubbera Road betterment project?

**Mr CRISAFULLI:** This is one of the flagship betterment projects in the North Burnett. The other one is the water intake, which I have spoken so much about before. This one is a really important one and a real example of a project that I know will be a lasting legacy of doing things better. It is a key route between the two communities. It is a key route for the citrus industry as well as cattle. It was destroyed in 2011, repaired to the same standard in the same location and was destroyed again in 2013. The project involved relocating it more than 10 meters up the hill. It involved sealing in two portions—so nearly a kilometre. Half was done with concrete and half was done with bitumen. They are probably within the last couple of months. It has nearly concluded. It would literally be days away.

The total project is \$8.8 million. The betterment component is just short of \$2 million. To paint a picture of great value for money, here is a road that was absolutely decimated in 2011, cost millions of dollars to repair and then was decimated again. We spent a couple of millions more, changed the alignment and it will be there for generations to enjoy. You are never going to prevent a small amount of damage, I am sure, but it will be able to be repaired with such a minor contribution now. It really is a first-class project.

**CHAIR:** I call the member for Springwood.

**Mr GRANT:** I refer to question on notice No. 9 regarding the carbon tax. Now that the federal government has abolished that tax, can you comment on local government's ability to return some of those savings?

**Mr CRISAFULLI:** It is an excellent question. I said in my opening statement that I do not deny that there is certainly a challenge for councils to quantify costs. There were costs that were flagged and there are savings that will be present. You know that our style is to always work with councils, but I make the point very, very clearly that it is not one-way traffic. If you put up a cost because of something, you have to put it down if it comes the other way. I was heartened to see the response from Brisbane and how swiftly they moved this morning. I acknowledge that Brisbane, because of its

size, quite frankly has been wrongly put up as one of the large polluters. I acknowledge that there are some direct costs that Brisbane is able to quantify. I think that all local governments are in a position to be able to quantify some form of impact, particularly the larger ones. They have a role to pass that back to their ratepayer. If they do not, I know full well that the ratepayer would pass judgement very harshly. Interestingly, I heard a comment today that local government is one of the areas that the Competition and Consumer Commission is going to look at as well, and that is great; that is an extra set of scrutiny. It is absolutely essential that councils find a fair way to pass it back to people because governing has to be fair and that would be fair. It would also signal to people the reason why this tax was such a burden. When we used to talk about the impact on electricity, it was easy to think that that was just one element of it. It affected so much of our everyday lives. Councils are really a snapshot of our businesses, of our households. They use goods that the carbon tax impacted on. The savings across local government will be real and they will be tangible and they must be passed on.

**Mr GRANT:** Minister, could you comment on local government's opportunities to be involved in the government's Strong Choices Investment Program?

**Mr CRISAFULLI:** It is something that local government does need to get involved with on a number of fronts. First of all, we have made it very, very clear that the purpose of embarking on the Smart Choices fund—the main reason—

**Mr MULHERIN:** Reference?

**CHAIR:** Strong Choices.

**Mr CRISAFULLI:** Page 2, dot point 11. The reason for the Smart Choices fund is that obviously we have an issue we have to deal with, and that is the debt and deficit. As I said, that impacts on councils and the costs they pay for their money each and every day. It is absolutely essential. There is going to be an element locally that can go back into communities. Just like with Local Government Grants and Subsidies, we believe that local know-how is important. I have begun speaking with my community about some opportunities for Townsville. I would hope that everybody is doing the same with their communities.

There is also that Local Government Co-Investment Fund. That is \$500 million over six years. I see that as being the golden opportunity to be able to get cracking on some of the infrastructure that our communities need for growth. That might take the form of water or wastewater or roads. Who knows? It is there as a carrot for councils to get on board and drive it. In my mind this fund is ultimately what will ensure that the aspirations of the Queensland Plan are met. If we want to grow regional Queensland—if we believe in that, if we believe in a decentralised state—we need infrastructure ahead of the game. We need infrastructure and we need to deliver it before the chaos, before the pandemonium, before the crisis. It is a golden opportunity to fund what needs to be done to grow regional Queensland.

**Mr SHORTEN:** Minister, I am very keen for you to give us a bit more detail around the CitySafe CCTV system migration to digital and also the CCTV expansion under the Local Government Grants and Subsidies Infrastructure Program.

**Mr CRISAFULLI:** Before I talk specifically about this project, I should talk about CCTV in general. It is quite incredible to think that there are now over a dozen councils that have applied successfully for grants through the local government grants projects to fund CCTV in their community, and do not think of it as just the likes of Brisbane, Gold Coast and Ipswich; I am talking about smaller communities. In fact, I was in Stanthorpe the other day with the CCTV vision that we help fund. There was one bloke who got into a pretty major assault and another bloke who decided to do breaststroke in the flowers in the main street. It is incredible the number of smaller councils that have embarked on it. In this round Dalby—quite incredible—and Charters Towers were successful in achieving a grant. It has become something that all councils have embraced and it shows the changing face of local government: safe communities, healthy communities and that is something that we all have a role to play.

The question you asked relates to Brisbane City Council and it is about an upgrade to a fully integrated digital system. Nine high definition cameras—and I was with the Lord Mayor when we announced those—provide a live feed not just into the headquarters but also via officers' iPads and smart phones. It was a grant under the Local Government Grants and Subsidies Program that we provided of \$350,000. I know it is making a big difference in the state's capital.

**Mr SHORTEN:** Minister, I know you have spoken previously in today's estimates hearing about the current relationship and the previous relationship between state and local government. How would you characterise that now? Can you outline what it was previously?

**Mr CRISAFULLI:** I would say that we have come a long way. You should never believe that there can be no further improvement, otherwise you should not be in a position to do a job. Of course, we can further improve. It has certainly come a long, long way from where we started. With that will come a desire for more people to want to serve on a local council. Previously, I have made my point very, very clearly that I think there is no greater honour than for somebody to be the mayor of their community. I think that is the greatest honour that people can embark on. I want people to be able to put up their hand and run for local council in the knowledge that they can actually genuinely make a difference and that they are not there to administer the policies of this building, but that they are there to drive their own agenda.

I mentioned that before I embarked on that consultation one of the first things we did was re-establish the Partners in Government Agreement between the two levels of government which was ripped up at the time of deamalgamation. Overwhelmingly, while we will always have our differences and healthy argy-bargy, there is a respect for that level of government. The respect comes from a number of factors, but I think a key factor is there are a number of people in this parliament who have served in local government. There are two on this committee. I think that is important. In fact, in the cabinet there are six former mayors, deputy mayors or councillors—six out of a cabinet of 19. When you contrast that with cabinets gone by, I think there is that genuine respect for what is a special level of government.

**Mr GRIMWADE:** You talked before about the Indigenous councils, which are of keen interest to you and others on the committee as well. Page 3, dot point 5 of the SDS talks about this. Can you update the committee on what education programs the government conducts in relation to capacity building in Indigenous councils?

**Mr CRISAFULLI:** A number of things. I spoke before about the program that I am most passionate about, but we have also worked on the back of house through things like own source revenue workshops to try to engage those councils to try and think outside the square. Again, Queensland Treasury has conducted training on financial management and sustainability. We have changed the Land Valuation Act in a bid to get those real economies going. We have sponsored the completion of some financial management sustainability training programs.

All of this means just one thing, and that is we want these Indigenous councils to chart their own financial future. We acknowledge that it is tough in Indigenous communities to find opportunities for own source revenue. If you look at the trend of the last couple of years there has been an increase and they have set about doing what is a very tough job and I admire them all. We will continue to help them in whatever way that comes about. At times that might mean training. At times that might mean assistance by providing professional help, but whatever it is we will try to do that.

**Mr MULHERIN:** Minister, I refer to page 10 of the SDS. Will the minister advise of the current stage of progress of the Ipswich flood defences upgrade funded under the Australian government National Insurance Affordability Initiative?

**Mr CRISAFULLI:** Thank you, Mr Chairman. I am mindful of the fund that the member talks about. Queensland received funding in two parts from that fund. One was a small amount of funding for Roma and the other one was for Ipswich. I note that when the funding announcement was made the council had no prior warning of the funding being announced. I point out this was a federal government announcement, not a state government announcement. The council began a process of identifying some projects to fund—this is in addition to some things that we have funded in Ipswich, and I talk about some of the betterment projects along the lines of Colleges Crossing, which has been a success. We have upgraded some flood gauges in some parts of the city. In answer to the question you talk about, it was through that \$50 million fund. I recall some of it went towards funding dams in Western Sydney. We were all critical of that at the time. It was the same fund that that came out of, but it has been a direct funding source from the federal government to the council. I will continue to work with the council to try to deliver what it needs there.

**Mr MULHERIN:** It has been nothing to do with delays in federal funds from this year's federal budget?

**Mr CRISAFULLI:** Mr Chairman, as I said, it is a fund which the federal government funded without consultation with the council. I am happy to work with council if it needs assistance in delivering that.

**Mr MULHERIN:** Minister, this is about relationships with local government. You have gone out of your way today to explain how you have restored the relationship between local government and yourself. Minister, as you are aware, Deputy Premier Seeney is taking an adversarial approach to Isaac Regional Council. This approach is exhibited by the letter from the Deputy Premier to Anne Baker, Mayor of the Isaac Regional Council, dated 17 June 2013. I seek leave of the committee to table that. The Isaac Regional Council applied for Royalties for the Regions funding of about \$10 million for the Moranbah high flood immunity access project. The Deputy Premier made funding of the flood immunity project contingent on the council agreeing to the state government terms for developing Belyando Estate. Do you think this is unduly dictating terms to local government?

**Mr CRISAFULLI:** Mr Chairman, I think this is something that the member should take up with the Deputy Premier, who administers that fund.

**Mr MULHERIN:** Minister, I understand the mayor also responded to the issues that the Deputy Premier raised in his letter and I table that for the interest of the committee.

**CHAIR:** Member for Mackay, can you tell me where it is in the SDS?

**Mr CRISAFULLI:** I think he is just trying to put it on record, Mr Chairman. Just let him continue.

**Mr MULHERIN:** It is about improving relations with councils, support for local government and financial sustainability on page 2. Mayor Baker raised practical issues around water supply, electricity supply and being land locked with mining tenements—

**CHAIR:** This is not question time, member for Mackay.

**Mr MULHERIN:** Can you advise what action you have taken, Minister, since she cced the letter to you?

**Mr CRISAFULLI:** Mr Chairman, if the member was gracious enough to ask me a question in question time, even in the last 10 minutes, I would love it very much but I do not believe this is the forum for it.

**CHAIR:** Member for Mackay, this is actually estimates, not question time. It really has to relate to something in local government that the minister has responsibility for, and he does not have responsibility for the actions of other ministers. Could we have the next question?

**Mr MULHERIN:** Minister, this question is directed to your director-general. Director-General, page 3 lists the key achievements of Indigenous councils. Can you please advise if the business incentive schemes have resulted in any increase of business activity in Indigenous councils?

**Mr Evans:** I thank the honourable member for the question. As the minister alluded to earlier in the estimates session, the scheme has only been in operation now for some eight to nine months. We are working very closely with those councils which received funding in the order of approximately \$1.5 million. We do see councils starting to focus very clearly on trying to raise own source revenue, and we believe in the longer term that we will add value to those councils becoming more financially sustainable.

**Mr MULHERIN:** Director-General, in the rollout of the scheme, what challenges were raised in attempting to generate business activities in Indigenous councils?

**Mr Evans:** I think some of those challenges relate to those challenges faced by Indigenous councils in general. That is, they are often in remote locations. They often struggle to retain and attract quality staff to those regions. It is difficult in some remote communities. We work very closely through our capacity building program to ensure that we provide support to any of those councils that may not have those capacities to help them through those projects and to deliver those outcomes.

**CHAIR:** I might move on from there, member for Mackay, to square up the numbers here. Minister, I have a question regarding Western Queensland. Winton is the birthplace of Waltzing Matilda. There has been a flood levee and the Natural Disaster Resilience Program out there. Have you got some information you can provide the committee further to the question on notice that you have provided?

**Mr CRISAFULLI:** Thanks, Mr Chairman. I do. I have to pay tribute to the local council and the local community for putting this forward. The town of Winton has been at risk of flooding and has suffered seriously for the better part of the last century. If you go through its history, there were big floods in 1922, 1950, 1955, 1974 and 2000. It is for that reason that I particularly want to pay tribute to the council.

It has been more than a decade since Winton was hit with a major flood. Despite that, the council has been willing to embark on a journey to try to get a levee built to protect that special community. I think that speaks volume for the leadership they have there. It is often so easy to respond to the crisis of the day. It is a lot more difficult to forward plan. One of the reasons I have been so passionate about trying to make the most of flood mitigation and trying to build these facilities is that we have been through some real challenges in the last half a decade. I think that has opened a window in time where we can mobilise community goodwill and try to deliver some of these projects.

In the case of Winton, despite the fact that has not occurred, the council is looking to do something special. We have funded them \$200,000 this year jointly with the federal government through the NDRP and that will enable them to undertake all the detailed design they need. It will be ready and willing to go. I would urge them to embark on the same journey with the community that some of those councils that you represent have done and have done well. I would love nothing more than to see a levee to protect that community in the years ahead.

**CHAIR:** Under the same program, Stonehenge had some work done as well. It is another important town in Western Queensland that has to do its own thing out there a bit.

**Mr CRISAFULLI:** Very much so. The project you talk about is the access road. That is the main link between the council's admin building in Jundah which I visited with the member for Gregory, Vaughan Johnson, and Stonehenge. The road has a few key crossings that are particularly low and particularly subject to high-velocity flooding. What we have done through this program is fund council to improve those floodways to make them more resilient. There is a contribution of \$130,000 from both the state and federal governments. The council will put in \$174,000. Whilst that will not make the road flood proof, it will enable the lengthy delays that we have seen to be reduced. That is what government is about—trying to work with local councils to improve life for those in these regions.

**CHAIR:** Thank you, Minister. I am about to close the proceedings. Do you have any last comments you would like to make?

**Mr CRISAFULLI:** Mr Chairman, I would like to sincerely thank the committee for its time. I thank everyone for the spirit of questioning. I would particularly like to thank both the department for working with councils in building the relationship that we have spoken about very much today and also for some of the long-term planning both for the financial sustainability of local government but also in the space of disaster mitigation. I would like to also thank the reconstruction authority for what I have seen is a tremendous effort in helping councils drive the agenda for reconnecting those communities in a way that we have never seen before. Thank you all and see you next year.

**CHAIR:** Thank you, Minister. On behalf of the committee, Minister, I thank you and your advisers for your attendance. I remind all visitors that the archived video footage that will be provided to the parliament's website is the sole source of proceedings until the Hansard transcript is produced next week. That completes the committee's hearing for the estimates of the Minister for Local Government, Community Recovery and Resilience. The committee has also concluded its examination of the matters referred to it by the parliament. On behalf of the committee, I thank officers of the Parliamentary Service for their assistance with today's hearing. I declare the Transport, Housing and Local Government Committee estimates hearing closed.

**Committee adjourned at 5.00 pm**