

## THURSDAY, 27 JULY 2017

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### ESTIMATES—PUBLIC WORKS AND UTILITIES COMMITTEE—ENERGY, WATER SUPPLY, MAIN ROADS, ROAD SAFETY AND PORTS

#### Estimate Committee Members

Mr SR King (Chair)  
Mr R Molhoek  
Mr JN Costigan  
Mr MJ McEachan  
Ms JE Pease  
Mr CG Whiting

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#### Members in Attendance

Mr SA Bennett  
Mr SL Dickson  
Mr MJ Hart  
Mr S Knuth  
Mr JM Krause  
Mrs JR Miller  
Mr AC Powell

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#### In Attendance

Hon. Dr SJ Miles, Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef and Acting Minister for Main Roads, Road Safety and Ports

Ms T van Alphen, Chief of Staff

Hon. CW Pitt, Treasurer and Minister for Trade and Investment and Acting Minister for Energy, Biofuels and Water Supply

Mr J Humphreys, Chief of Staff

#### **Department of Transport and Main Roads**

Mr N Scales, Director-General

#### **Gladstone Ports Corporation Limited**

Mr P O'Sullivan, Chief Executive Officer

#### **Department of Energy and Water Supply**

Professor P Simshauser, Director-General

Mr B Barr, Deputy Director-General—Energy

Mr K Sedgwick, Deputy Director-General—Water

#### **Stanwell Corporation Limited**

Mr R Van Breda, Chief Executive Officer

#### **CS Energy Limited**

Mr M Moore, Chief Executive Officer

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**Committee met at 9.00 am**

**CHAIR:** Good morning. I declare this hearing of estimates for the Public Works and Utilities Committee open. I would like to introduce the members of the committee. I am Shane King, the member for Kallangur and chair of the committee. Mr Rob Molhoek, the member for Southport, is the deputy chair. The other committee members are: Mr Matt McEachan, member for Redlands; Mr Jason Costigan, member for Whitsunday; Ms Joan Pease, member for Lytton; and Mr Chris Whiting, member for Murrumba. The committee has granted leave for non-committee members to ask questions at its hearing today, so other members may be present over the course of the proceedings.

Today the committee will consider the Appropriation Bill 2017 and the estimates for the committee's areas of responsibility. I remind everyone present that any person may be excluded from the proceedings at my discretion as chair or by order of the committee. The committee has authorised its hearing to be broadcast live, televised and photographed. Copies of the committee's conditions for broadcasters of proceedings are available from the secretariat. I ask that mobile phones or other electronic devices be turned off or switched to silent mode. Also, I remind you that food and drink are not permitted in the chamber.

The committee will examine the portfolio areas in the following order: Main Roads, Road Safety and Ports from 9 am to 11 am; Energy, Biofuels and Water Supply from 11.30 am to 1.30 pm; Housing and Public Works from 2.15 pm to 4.30 pm; and Sport from 5 pm to 6 pm.

The committee will now examine the proposed expenditure in the Appropriation Bill 2017 for the portfolio areas of the Acting Minister for Main Roads, Road Safety and Ports. I welcome as acting minister the Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef. The committee will examine the minister's portfolio until 11 am and will suspend proceedings for a break from 11 am to 11.30 am. The visiting members present are: Mrs Jo-Ann Miller, member for Bundamba; Mr Shane Knuth, member for Dalrymple; and Mr Andrew Powell, member for Glass House.

I remind those present today that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply in this hearing. I refer to standing orders 112 and 115 in this regard. Questions should be brief and relate to one issue and should not contain lengthy or subjective preambles, argument or opinion.

I intend to guide proceedings today so that relevant issues can be explored fully, without imposing artificial time limits, and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. On behalf of the committee, I welcome the minister, the director-general, departmental officers and members of the public to the hearing. For the benefit of Hansard, I ask departmental officers to identify themselves the first time they answer a question referred to them by the minister or the director-general.

I now declare the proposed expenditure for the portfolio area of Main Roads, Road Safety and Ports open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, if you wish, you may make an opening statement of no more than five minutes.

**Dr MILES:** I thank the committee for the opportunity to appear before you. I welcome all officers and public servants here this morning. The Palaszczuk government is yet again delivering a record spend on road and transport infrastructure. In June the Department of Transport and Main Roads published the Queensland Transport and Roads Investment Program for the period 2017-18 to 2020-21. QTRIP is the only document of its kind in Australia, providing a clear articulation of the government's investment priorities for the next four years. No other state provides such a clear vision of its priorities and provides industry with the certainty it needs through a continued pipeline of works.

This year's QTRIP outlines a four-year pipeline of transport and road infrastructure investment worth approximately \$21 billion and supporting an estimated 16,950 direct jobs over the life of this program. Of this, \$16.5 billion is specifically allocated to roads and maritime infrastructure across Queensland. In 2017-18, this includes \$400 million to rebuild our affected roads network across the state damaged by Cyclone Debbie and associated flooding.

The Palaszczuk government knows that investing in infrastructure is fundamental to delivering local jobs and ensuring economic growth. Through QTRIP we are funding key projects that will keep our economy moving. While members will no doubt be keen to explore a number of QTRIP line items

in some detail this morning, I will briefly outline a number of projects that may be of particular interest. Within this year's four-year QTRIP we have committed to the \$400 million Ipswich Motorway Rocklea-Darra project. We have committed to delivering the Pacific Motorway-Gateway Motorway merge upgrade at Eight Mile Plains and six-laning between Mudgeeraba and Varsity Lakes. We are also investing \$5 million to progress the planning and business case development to six-lane the next highest priority for the southern end of the motorway—that is, the section between Varsity Lakes and Tugun.

The Bruce Highway continues to be a priority for the Palaszczuk government. We are committed to continuously improving safety, flood immunity and capacity on our state's road network. We are delivering the \$929 million Caloundra Road-Sunshine Motorway project. We have also put our 20 per cent on the table for the recently announced Bruce Highway Pine River-Caloundra upgrade. Bruce Highway upgrades across the life of the forwards are worth \$5.59 billion in joint funding, with \$510.5 million allocated for 2017-18 that will support 2,394 direct jobs. There is \$497.8 million for the Mackay Ring Road and construction of the Walkerston bypass and allocations for upgrades of the Mount Lindesay Highway between Browns Plains and Beaudesert. We are also backing key productivity enhancers, such as the duplication of Riverway Drive in Townsville, and completing road train access for Rockhampton. Of course, preparations are well underway for the Commonwealth Games. This financial year we are spending \$39.7 million from a total of \$160.7 million to complete upgrades of various Gold Coast roads in preparation for the 2018 games.

Cycling should not come as an afterthought for our transport network. For a truly integrated network we must be investing in both public and active transport to ease congestion on our roads. I am proud to be part of a government that is continuing to invest in high-quality cycle infrastructure, planning and programs across Queensland. We have committed \$44 million to high-priority cycling projects in 2017-18 and over \$182 million between 2017-18 and 2020-21.

As acting road safety minister, I am keenly aware of the importance of road design to the safety of motorists. The Palaszczuk government continues to invest in education programs, such as 'Protect your P-plater', to address road safety issues. I am happy to address these further should members wish to ask questions.

The Palaszczuk government continues to address challenges facing our transport sector with a new regulatory framework for personalised transport currently in its implementation phase after enabling legislation was passed by the House in recent months. Similarly, an independent investigation into the practices of tow truck companies is currently underway, led by retired judge Mr Michael Forde. The investigation is examining practices of removing parked vehicles from publicly accessible private car parks and roads. I am happy to advise that Mr Forde's investigation is progressing well and he will soon report back to government.

We continue to invest in our ports to support the state's international trading position and local economies, while also protecting the Great Barrier Reef.

**Mr COSTIGAN:** Mr Chair, this is the longest five minutes I have experienced for a while.

**CHAIR:** Thank you. That is noted. Could you please hurry up, Minister?

**Dr MILES:** Sure. We have committed \$60 million towards the cost of the Cairns Shipping Development Project, subject to Commonwealth and state government EIS and business case approvals. The revised scope of the project, involving one million cubic metres of spoil to be used on land, is a common-sense outcome from both an environmental and an economic perspective. The project will allow access for larger cruise ships while also providing benefits to existing shipping due to increased efficiency and improved access.

The Townsville Port Expansion Project will also be delivered in multiple stages driven by demand and providing long-term security for expansion of the port to service Northern Australia. We will continue to implement the joint Queensland-federal government Reef 2050 Plan including through our Maintenance Dredging Strategy for Great Barrier Reef World Heritage Area Ports, which will further improve the way ports undertake vital maintenance of channels, berths and basins and requires increased consultation with stakeholders.

**CHAIR:** Thank you, Minister. We might have to wind it up there.

**Dr MILES:** Thank you, Mr Chair, for providing me the opportunity to make those opening remarks. Clearly there is much in this portfolio that I am enthusiastic about. I appreciate the chance to outline it for you and I look forward to questions.

**CHAIR:** I can see your enthusiasm. I now go to the member for Glass House.

**Mr POWELL:** Commiserations, Minister, on drawing the short straw and being lumped with this portfolio on top of your other responsibilities and with a week to prepare. Minister, I draw your attention to pages 7 and 8 of your department's Service Delivery Statements—in particular, the service standards around road network efficiency, road network reliability, road network productivity and arterial intersection performance. I note that all of those targets failed to be met this year and, perhaps in recognition of that, the government appears to have lowered the bar to match your substandard performance.

**CHAIR:** There should be no imputations. Is there a question?

**Mr POWELL:** The question is: has the Palaszczuk government given up on easing congestion?

**Dr MILES:** I thank the member for his question. There are clearly a range of reasons sitting behind those outcomes. In large part, we are continuing to see increased usage and congestion on our roads as a function of economic activity in the state. I clearly appreciate that congestion is an issue for South-East Queensland and a growing concern in regional centres.

The Department of Transport and Main Roads is taking a multifaceted approach to congestion management and journey reliability. The department is identifying, planning and delivering priority infrastructure projects. The Journey Reliability and Congestion Management Committee provides oversight of congestion management activities spanning policy, land-use planning, travel demand management, multimodal transport strategy, capacity and operations. In a moment I will ask the director-general to address those targets and performance.

Let me finish outlining the congestion management components that the department are working on. They have developed the network optimisation framework to assist prioritising and balancing lower cost and non-infrastructure solutions. They are focused on proactively managing network operations and using data systems and innovative technologies to better understand our transport network. They are reducing fares and making public transport more accessible. The government has reduced fares. The department continues to work in partnership with local government and other road operators both for planning and for operating the network. With regard to the specifics—

**Mr POWELL:** With all due respect, Minister—

**Dr MILES:** Just a second, member for Glass House. With respect to the specifics of which targets were met and the targets going forward, I will ask the director-general to address those questions for you.

**Mr POWELL:** Before he does, with all due respect, if those aspects that you just referred to are being implemented, why wouldn't the standard be kept or—

**CHAIR:** Is this a second question?

**Mr POWELL:** It is a supplementary question.

**CHAIR:** The minister has not finished answering your first question.

**Mr POWELL:** The minister has finished, Mr Chair.

**CHAIR:** He has asked the DG to continue. I would like to hear what he has to say.

**Mr POWELL:** The question is: if that is the case, why lower the standard?

**Dr MILES:** Again, I thank the member for his question. Again, I offer the committee the opportunity for the director-general to go through those targets one by one and outline for you the reasons behind the outcome and the reasons the targets for future years have been set as they have been. The fact of the matter is that we are seeing increased congestion on our roads as a product of economic activity and as a product of the failure of the previous government to invest sufficiently in our road network. This government has increased investment into QTRIP—\$21 billion over the coming four years—after you slashed spending by more than \$600 million.

**Mr POWELL:** We will get to failures, Minister.

**Dr MILES:** With respect to the impact of your funding and staff cuts on the road network and our work to overcome those, I would appreciate the chance to let the director-general answer your question. You asked a question about targets and delivery and I would like to give the director-general—

**Mr Powell** interjected.

**CHAIR:** Member for Glass House, you have asked a question. The answer will come. You will get a follow-up question—

**Mr POWELL:** If he is going to debate—

**CHAIR:** You already interjected a second question while your first question was being answered. Please allow the minister and the DG to answer the question, but I will ask you to keep it brief—

**Dr MILES:** I do not think it is unreasonable to let the director-general answer the specific questions about the targets that were set, Mr Chair.

**CHAIR:** And I would like to hear the answer.

**Mr Scales:** I thank the member for Glass House for the question. Congestion is a function of economic activity, and as the state's economic activity goes up obviously we get more cars on the road. As the minister has outlined, we have made a number of interventions—interventions like Boundary Road, which is not far from your constituency, where we have delivered an extra bridge over the Bruce Highway. Exit 54 is another one where we have increased the capacity. Members would be aware that the 10-year fix of the Bruce Highway's capacity is not just about safety and capacity—

**Mr POWELL:** I raise a point of order, Mr Chair. The minister made it clear that the director-general would be addressing why the standards have lowered, not listing project after project after project which clearly does not explain why the standards have lowered. I ask for relevance.

**CHAIR:** DG, could you please—

**Mr Scales:** Member for Glass House, I am just getting to the context.

**CHAIR:** In the fullness of time he will get to that.

**Mr Scales:** The standards reflect increasing economic activity. They are realistic targets rather than targets that are impossible to meet. They are stretch targets. They will be difficult to meet. We are using new technology. A good example of that is ramp metering, which is controlling the number of vehicles that enter our motorway network. We are also using managed motorways to good effect. By slowing down the mandatory speed limits on the motorways we are getting more traffic through the same piece of road. These—

**Mr POWELL:** Again, with all due respect, why would the standards be lowered?

**CHAIR:** You have asked that question and I will allow the director-general to answer.

**Mr Scales:** I do not think they have been lowered. I think they just reflect reality. If you take the SDS itself, which is average travel time for 10 kilometres, obviously the lower is better. If you take the pm peak on that page that the member for Glass House looked at, the average time is 11.3 and the actual time is 11.9 so we have reset it at 11.9, being realistic, but bear in mind that the traffic on our roads is increasing. We have had 140,000 or so extra vehicles registered in the last year. These standards reflect reality but they also reflect economic activity in the state.

**Mr POWELL:** Would they also reflect, Director-General, the fact that we are now celebrating 300 days of rail fail with yet another example this morning—

**CHAIR:** That is an imputation, and you are asking a hypothetical question. I will ask you to ask a different question or to rephrase.

**Mr POWELL:** Director-General, is the congestion partly due to the increased number of commuters returning to vehicles given poor reliability in the rail network?

**Mr Scales:** I will take advice from the chair but I think that is an area for the Deputy Premier.

**CHAIR:** The question is not part of this portfolio and you have had the opportunity to question the minister—

**Dr MILES:** Let me make one point on that question. If the member is concerned about the impact of rail services on road congestion, he should revisit his party's views regarding Cross River Rail. If they continue to oppose Cross River Rail, we will continue to see people unable to catch trains, particularly in the near future.

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

**Mr POWELL:** Director-General, can you confirm a few figures in the Transport and Main Roads Capital Statement that the sideline minister has been a bit confused about. On page 124 of the Capital Statement the Transport and Main Roads budget for the Darling Downs district has gone from \$564 million and change in 2016-17 to \$430 million and change in 2017-18. Director-General, can you please explain how \$134 million has been cut out of the Darling Downs in a single year?

**Mr Scales:** I thank the member for Glass House for the question. I will do a preamble to give background for the members of the committee. If we take QTRIP as an example, QTRIP is a four-year program worth over \$21 billion. You have to compare four years against four years. If you take as an

example the financial year 2019-20 in the last QTRIP against the financial year 2019-20 in this QTRIP, it has gone up by \$856 million. The answer is that projects will move around and we will get different profiles of cash flows. Projects will come on to QTRIP and go off QTRIP. Therefore, if you take big projects like the Gateway Upgrade North, Moreton Bay Rail Link and the Toowoomba Second Range Crossing, they are over multiple years. To take an individual figure that you have just quoted, you have to take it for the whole, in my view, which is a four-year program.

**Mr POWELL:** Director-General, let us take it as a whole because it is not only Darling Downs but also the Far North, which has gone down \$34 million; Fitzroy, which has gone down \$26 million; the north coast, \$63 million; the northern region, \$17 million; the north-west—

**Mr WHITING:** I raise a point of order, Mr Chair. The question was about one issue, the Darling Downs. That was the issue touched on in this question—

**CHAIR:** There is no point of order, member for Murrumba. Is this a follow-up question?

**Mr POWELL:** That is correct, Mr Chair.

**CHAIR:** Could you ask your question, member for Glass House?

**Mr POWELL:** I take on board your comments in regard to the previous question, but why across the state, with the exception of the Gold Coast due to the Commonwealth Games, are we seeing such cuts?

**Dr MILES:** The member for Glass House is inherently misleading the committee in that he is using the first-year figures region by region of a four-year program and they are not reflective of—

**Mr POWELL:** The director-general has just done a comparison of 2019-20 last year and 2019-20 this year. That is a comparison. I have done a comparison between 2016-17 and 2017-18. It is a similar comparison.

**CHAIR:** Thank you, member for Glass House. The director-general explained that this was over four years. Do you have any follow-up?

**Mr Scales:** If you take from last year to this year, if it helps the committee, you have projects that are largely completed like Moreton Bay Rail Link so they are not in this current allocation. We reprofile our larger projects with our colleagues in the federal Department Of Infrastructure And Regional Development, because a lot of the capital money we get is from the feds. To make a comparison year on year can be a bit difficult because you should be comparing four years with four years. As the minister outlined in his opening speech, it is a unique document. It gives four years worth of capital program for the whole state.

**CHAIR:** Thank you, Director-General. I understood your answer.

**Mr McEACHAN:** My question also relates to page 124 of the Capital Statement and, in particular, on page 127 the metropolitan spend. It has gone down \$33,502,000 from 2016-17 to 2017-18. I note that some of that money could upgrade Cleveland Redland Bay Road in my electorate which forms part of the metropolitan area. I also note that it has been in and out of QTRIP—

**CHAIR:** Is there a question there?

**Mr McEACHAN:**—for a number of decades. Why has the amount to be invested in roads gone down \$33 million?

**Dr MILES:** Member for Redlands, who are you addressing your question to?

**Mr McEACHAN:** I will address the question to you, Minister.

**Dr MILES:** I thank the member for Redlands for his question. It again goes to the response the director-general made earlier. The year on year spending district by district is not a good indication of activity. It is not a good indication of what is happening out there on the network. There is a range of factors that play into the fact that in 2017-18 the capital spend appears to be smaller when over the four-year program the total capital spend is larger, and those factors include the staged delivery of federal government funding, the impact of project completions and staged project payments. For example, there are a number of projects that were completed in the last financial year. Would you have us continue to work on those projects even though they are now completed?

Similarly, as these figures are updated and refined, more accurate costings are included as tenders occur and as market conditions change. What we see in the figures for the coming financial year is the Department of Transport and Main Roads delivering increased value for money to taxpayers off the back of weaker components in the construction sector. We have been able to finetune and

reduce the cost of delivering certain projects and that has delivered greater, as I say, value for money for taxpayers, and that plays out in the total capital spend and the capital spend across a range of districts year on year.

What we do know is that when you take spending district by district and statewide over the four-year period we are spending substantially more. If you want to talk about who cut spending on roads, it was the previous LNP government. If you want to talk about who cut 25 per cent of jobs out of places like RoadTek—

**Mr McEACHAN:** With respect, you have been in government for three years.

**Dr MILES:**—it was the former LNP government.

**CHAIR:** We have a point of order.

**Mr McEACHAN:** With respect, you have been in government for three years—

**Dr MILES:** It takes a long time to make up that kind of damage.

**CHAIR:** Order! We are not going to argue this. Member for Redlands, there is no point of order.

**Dr MILES:** What I would like to do, Mr Chair, if you are comfortable, is allow the director-general to respond specifically to the roads mentioned by the member for Redlands.

**CHAIR:** Certainly.

**Mr Scales:** I thank the member for Redlands for the question. We have taken a statewide review of crash data in 2015. On the road in question I can confirm that we have allocated funding of \$580,000 for a planning study. There are 14 intersections, as the member is no doubt aware, on that particular piece of the road including Double Jump Road, Boundary Street, Giles Road, German Church Road and Serpentine Creek Road. The department will develop business cases for safety improvements for the remaining identified intersections by March 2018.

We have allocated \$580,000 for a planning study on this particular road. Once that planning study is out and the business case is out, which for the information of the member will be around March, the delivery of the resulting works will be subject to funding which is allocated on a statewide priority basis. I can give a measure of reasonable news. I think that we have allocated a large amount of money for a planning study, member for Redlands.

**Dr MILES:** If the member is concerned to identify where wasted funds could be spent on roads in his electorate, I suggest he look at the \$30 million the LNP withdrew from transport funding to pay for their Strong Choices campaign.

**CHAIR:** Thank you, Minister.

**Mr Molhoek** interjected.

**Mr McEACHAN:** If you want to talk about wasted money, let's talk about the \$1.3 billion you lost in the Health payroll debacle.

**CHAIR:** Order, member for Redlands! We are not going to argue this.

**Mr COSTIGAN:** Good morning, Minister. I have heard what you have had to say regarding the forwards. A lot of people, particularly in our part of the world, are not interested in forwards. They like to compare last year's figures to this year's figures. I draw your attention to Budget Paper No. 3 page 126 and specifically the Mackay-Whitsunday region. Can you confirm that is down \$16 million from last year's funding—from year to year?

**CHAIR:** Is that the question, member for Whitsunday?

**Mr COSTIGAN:** It is a yes or no answer I am looking for from the minister.

**Dr MILES:** This goes very specifically to the point that capital spending year on year is not indicative of activity year on year. We will see over the next four years more activity and more investment—\$21 billion—than we have ever seen before. As I outlined—

**Mr MOLHOEK:** I raise a point of order, Mr Chair. The question is about what will be spent this year, not what is being proposed to be spent in future years.

**CHAIR:** Yes, I take that, member for Southport. The minister can answer the question in any way he sees fit. You are asking why there appears to be discrepancies. They are explaining that over a period of time—

**Mr MOLHOEK:** We have had plenty of lectures on QTRIP.

**CHAIR:** You have asked a question. Allow the minister to answer it.

**Dr MILES:** Let me highlight one point I made earlier: that is, the department does its best to get the best value for money for taxpayers. In this case in the next financial year we are saving money by spending less on projects.

**Mr Costigan** interjected.

**Dr MILES:** Does the LNP propose that the amount you spend is perfectly reflective of the amount you deliver?

**Mr MOLHOEK:** Point of order, Mr Chair.

**Dr MILES:** The fact is that we are delivering more with less, and that is a good-news story.

**Mr MOLHOEK:** The minister is not answering the question. The question is simply: why is there \$16 million less being spent?

**CHAIR:** The minister can answer the question in any way he sees fit.

**Dr MILES:** I am answering the question. I am answering very clearly why.

**Mr COSTIGAN:** Can I just ask the minister—

**CHAIR:** Do you have a supplementary question?

**Mr COSTIGAN:** I have a supplementary. Of the \$160 million that is allocated in Budget Paper No. 3, how much of that money is going to local contractors? Furthermore, you did mention flood immunity of the Bruce Highway. Can the minister or the director-general point out in the budget papers where flood immunity of the Bruce Highway has been allocated?

**CHAIR:** There are two questions there. Which one would you prefer, or is the minister happy to answer them both?

**Dr MILES:** We will take one at a time. Can the member outline which one he would like first?

**Mr COSTIGAN:** Firstly, of the \$160 million that is allocated in 2017-18 for Mackay-Whitsunday on page 126 of Budget Paper No. 3, how much of that coin will end up going towards local contractors? I would like to know more about how much of the pie is going to local contractors like Vassallo, who are dirty about what happened with Mackay Ring Road.

**CHAIR:** Thank you, member for Whitsunday. Do not make a speech. We have got the question.

**Mr COSTIGAN:** It was the end of the question, with great respect.

**Dr MILES:** I thank the member for that question. I will in a moment ask the director-general to address the specifics of how local content is being applied in your region, member for Whitsunday. Let me at the outset acknowledge the fantastic work Transport and Main Roads have done getting as much of our road network back up and running post the cyclone as they have. I think they have done really very well.

On the question of local content, the Queensland Charter for Local Content and the Queensland Government Building and Construction Training Policy contribute to the local content and training requirements of government contracts. The Department of Transport and Main Roads has implemented targets over and above those policy positions to enhance local employment opportunities, such as on the \$144 million Accelerated Works Program. TMR engages local governments outside of South-East Queensland to deliver its routine maintenance. It supports Indigenous training and employment by designating projects as Indigenous projects where possible. On the specifics of how that might apply to projects in your electorate, I will ask the director-general to respond.

**Mr Scales:** What we try and do in the department, being a big-spending department, is operate under the Queensland Procurement Policy guidelines and the Queensland Charter for Local Content, as the minister has outlined. I will give you specific examples and then I will turn back to the Mackay Ring Road. If you take Townsville Ring Road 4, 100 per cent of all fill used on that project was sourced from local quarries, more than 80 per cent of labour, plant hire, subcontractors and materials on the project were sourced locally, and that local content was about \$83 million via Seymour Whyte. If you take the Cape York Region Package, which is sealing of the Peninsula Developmental Road, it is \$262 million over five years on an 80-20 basis between ourselves—

**Mr POWELL:** Mr Chair—

**Mr Scales:** I will get to the point.

**Mr COSTIGAN:** I am conscious of the time here.



**Mr Scales:** Sorry.

**Mr COSTIGAN:** I am satisfied with the answer, if we are not going to come to the Mackay-Whitsunday region.

**Mr Scales:** I can do that one as well.

**CHAIR:** Can you quickly do that one?

**Mr Scales:** As an example, if you take the Toowoomba Second Range Crossing—

**Mr POWELL:** That is not Mackay.

**Mr Scales:** But—

**Mr COSTIGAN:** Mr Chair, we will move on from there. I want to go back to what the minister said about Tropical Cyclone Debbie, where he was alluding to Cyclone Debbie.

**CHAIR:** Can you do it quickly because I am cognisant of the time.

**Mr COSTIGAN:** Minister, can you outline where in Budget Paper No. 3 there is funding to improve flood immunity on the state controlled Shute Harbour Road at Hamilton Plains?

**CHAIR:** Minister, could you finish off what you had to say and then go to this?

**Dr MILES:** I was just going to add to the answer to the member's previous question. Regarding Mackay Ring Road, there is a condition of the contract that requires the principal contractor to provide regular reports on the number and value of local contracts. Contractual conditions for the project require compliance with those codes. A number of local contractors and suppliers have already benefited from the project through undertaking early works. As I understand it, the company the member mentioned has formed a joint venture with a southern based provider, Georgiou Group. As I understand it, the tenders are currently being assessed.

When it comes to the member's question, as I understand it, of the \$21 billion we have committed in QTRIP something like \$400 million is to fund recovery of our transport network post Tropical Cyclone Debbie, so that is a very significant investment from the state.

**Mr COSTIGAN:** Is that Hamilton Plains?

**CHAIR:** No, member. Wait for the next bracket of questions.

**Mr COSTIGAN:** I will take it as a no.

**CHAIR:** No, it will not be a no. You will just wait until the next time you get to ask again. Please do not dissent.

**Dr Miles** interjected.

**Mr COSTIGAN:** You wasted time at the start, Minister. You wasted five minutes and then some.

**CHAIR:** Member for Whitsunday, no arguments.

**Mr COSTIGAN:** I will bring a clock next time.

**CHAIR:** Order! I am going to ask a question now. Member for Whitsunday, if you could listen in silence, that would be appreciated. Minister, I refer to page 4 of the SDS and to Budget Paper No. 3. Could you please provide some of the 2017-18 QTRIP delivery highlights and outline how much is being invested in road and maritime infrastructure over the next four years?

**Dr MILES:** The Palaszczuk government is committed to keeping our state moving and ensuring our economy is supported with the infrastructure it requires. With the release of the most recent Queensland Transport and Roads Investment Program, we have outlined the government's key priorities over the next four years. QTRIP for the current forward estimates period of 2017-18 to 2020-21 was released on 13 June and outlines delivery of a record \$21 billion investment for both road and transport infrastructure, \$16.5 billion of which is road investment. Let me be clear for opposition members here today: there are no cuts in this year's QTRIP, no sneaky tricks and certainly no disappearing line items like we saw under the LNP.

The Palaszczuk government's record on roads and rail funding is clear. Apart from the transport benefits it delivers, it also supports an estimated 16,950 direct jobs for Queenslanders. This year's QTRIP contains a series of key priority programs and packages. It continues an \$8.5 billion package of works for the Bruce Highway. There is the \$635 million Warrego Highway upgrade program. There is the \$260.5 million Cape York Region Package, which this government is particularly proud of, establishing year-round road access for communities up north. There is also the finalisation of \$160.7 million of works to get the Gold Coast ready for the 2018 Commonwealth Games.

The Australian government and the Queensland government will be delivering a series of jointly funded projects which were announced in March 2017 under an agreement worth half a billion dollars. We are six-laning the Pacific Motorway between Mudgeeraba and Varsity Lakes, planning for the Varsity Lakes to Tugun section, as well as undertaking a major upgrade of the Pacific Motorway-Gateway Motorway merge southbound lanes at Eight Mile Plains. We are constructing the Walkerston Bypass near Mackay. The Mount Lindesay Highway between Browns Plains and Beaudesert is set for an upgrade, for which I have to mention the member for Logan for his tireless campaigning.

In addition, through the Northern Australia Roads Program and the Northern Australia Beef Roads Program, we are partnering with the Australian government to deliver even more high-priority projects to support economic development in the north. These projects include the \$75 million duplication from two to four lanes of the Capricorn Highway between Rockhampton and Gracemere, the \$30 million road train access and intersection upgrades on Rockhampton-Yeppoon Road, the \$15.25 million upgrading of culverts on the Flinders Highway between Charters Towers and Hughenden, the \$9.75 million strengthening and pavement rehabilitation on various sections of the Flinders Highway between Townsville and Charters Towers, and the \$7.46 million pavement widening on sections of the Burke Development Road between Normanton and Dimbulah.

Importantly, the Palaszczuk government has also allocated \$400 million from the 2017-18 budget to complete reconstruction works that will rebuild road infrastructure affected by Tropical Cyclone Debbie and associated rainfall and flooding, as I outlined earlier. In addition, a number of projects have been announced under the \$10 million Transport and Tourism Connections program to allow local governments to access shared funding to improve approaches to tourism and culturally significant sites. Of course, there is much more. The QTRIP program is a huge program, but these are just some of the highlights of the program that the Palaszczuk government is delivering for Queensland.

**Mr WHITING:** Minister, you mentioned earlier the record spend in this budget of \$21 billion including \$16 billion on roads. Obviously I am focused on projects that are happening in my part of the state, so could you please advise of the projects that would be relevant to my constituents, especially those listed on page 6 of the SDS?

**Dr MILES:** I thank the member for the question. Both you and the member for Kallangur have been tireless advocates for improving the road network to Brisbane's north, and clearly I have taken a keen interest in that also. I am pleased to advise that some significant investments have been earmarked over the forward estimates. Just over \$20 million is allocated this year towards the \$100 million Boundary Road upgrade. We are committed to delivering the \$150 million Deception Bay Road interchange, with the state contributing \$30 million towards that project. There is also \$3 million in 2017-18 for resurfacing Redcliffe Road and further funding to resurface Anzac Avenue between Hercules and Gynther roads. We know a major upgrade is required to fix Petrie's No. 1 traffic hotspot at the end of the street I grew up in in Petrie—the roundabout that connects Anzac Avenue, Dayboro Road and Gympie Road. The Palaszczuk government is investing in planning the future upgrade of this intersection which is likely to include removing the roundabout and introducing traffic signals.

**Mr MOLHOEK:** It sounds like a re-election speech.

**CHAIR:** I wish to hear the minister's answer.

**Mr Molhoek** interjected.

**Dr MILES:** Labor is interested in road investments in this part of the state. I will be interested to note if the LNP is not. The planning and design will include widening the road on the approaches to the intersection to increase traffic capacity and improve access for pedestrians and cyclists. Introducing traffic signals will also improve traffic capacity and eliminate the risk of motorists misjudging gaps in traffic. The design will also accommodate cyclists, with on-road cycle lanes proposed to be painted, and signalised pedestrian crossings. Detailed design for the upgrade will begin over the coming months and take about 18 months to complete. The \$7.5 million funding boost will be used to complete planning and design for the upgrade as well as to proceed with any required land acquisitions. I note that this upgrade is particularly important to the major economic project proposed by the council in that region, the Petrie mill university site.

There has also been a \$13.4 million funding injection in the state budget to deliver improvements for the Caboolture-Bribie Island Road, with \$10.4 million of this funding to improve safety at the Old Toorbul Point Road and Bribie Island Road intersection with the installation of traffic signals. This has been warmly welcomed by the community. I note the member for Pumicestone's ongoing advocacy for this project. In addition, \$3 million has been allocated for planning for the duplication of 4.25 kilometres

of Caboolture-Bribie Island Road from Hickey Road to Saint Road including this intersection. Planning will commence for both projects in 2017-18, with construction of the signalised intersection scheduled to begin in 2019.

I also acknowledge that there are a range of other projects partly or fully funded in this QTRIP further to the north, including \$929 million for the Bruce Highway from four to six lanes from Caloundra Road to the Sunshine Motorway, \$79.8 million for the Bruce Highway Brisbane to Gympie safety barriers and \$22 million for the Kawana Way and Nicklin Way Sunshine Coast University Hospital intersection upgrade.

**Mr WHITING:** Minister, we have touched a bit on Cyclone Debbie. Can you advise whether DTMR's infrastructure delivery schedule has been impacted by Tropical Cyclone Debbie and how the department has responded to this destructive weather event, as mentioned on page 25 of the SDS?

**Mr COSTIGAN:** There was not much happening anyway.

**Dr MILES:** I thank the member for the question and I take the interjection from the member for Whitsunday. There was much more happening than under the three years in which the LNP cut \$600 million from the Main Roads budget. TMR has worked tirelessly, and I really think we should at least take the politics out of acknowledging the efforts of TMR—

**Mr COSTIGAN:** That is not in doubt.

**CHAIR:** Member for Whitsunday, could you cease interjecting?

**Dr MILES:** If you interject in the middle of me recognising them, that suggests that you are doubting it. TMR has worked tirelessly to clear up landslips, remove debris and restore access to hinterland communities following ex severe Tropical Cyclone Debbie. The Tamborine-Oxenford Road approach to the John Muntz Causeway was severed on 30 March 2017. Golding contractors were engaged to reconstruct the connection to the bridge. This work started on 18 April and the causeway was reopened to traffic on 30 June 2017.

**Mr COSTIGAN:** Chair, where is this causeway?

**CHAIR:** Member, do you have a point of order?

**Mr COSTIGAN:** I have a point of order. It was a good question from the member for Murrumba about Cyclone Debbie, but where is this causeway?

**Dr MILES:** This is on the Tamborine-Oxenford Road.

**Mr COSTIGAN:** That is about a thousand kilometres from where the cyclone hit.

**CHAIR:** Member for Whitsunday, the minister is answering a question that this side asked. You will have a chance to ask a question.

**Dr MILES:** What an insult to the people of Southern Queensland who suffered severe flooding as a result of that cyclone. Member for Whitsunday, we will come to a discussion about how this weather event affected your electorate, but the LNP represents every single electorate on the Gold Coast. They should have some interest in how this event affected that part of the state.

**Mr MOLHOEK:** Point of order—

**CHAIR:** No, there is no point of order.

**Mr MOLHOEK:** Well there is; he is not answering a question. He is making a statement.

**Dr MILES:** I am answering a ridiculous interjection from the member for Whitsunday, an offensive—

**CHAIR:** Member for Southport, the member for Whitsunday interjected and the minister took the interjection and he is answering it. I ask the member for Whitsunday to stop interjecting. There is no point of order. Minister, you have the call.

**Dr MILES:** The member for Southport should be rightly offended by the imputations from the member for Whitsunday. I am speaking to recovery efforts in—

**Mr MOLHOEK:** Point of order, Mr Chair.

**CHAIR:** What is your point of order?

**Mr MOLHOEK:** My point of order is that the minister is here to answer questions, not to make personal asides about the roles of various—

**CHAIR:** There is no point of order, member for Southport. The minister was interjected on when he was answering a question and he is responding to that interjection and continuing to answer the question. There is no point of order. You have the call, Minister.

**Dr MILES:** I thank you for your protection, Mr Chair. Gold Coast Springbrook Road at Neranwood remains closed. Designs are being finalised to determine permanent restoration solutions for about 20 critical sites. Restoration is expected to take over a year to complete. Lamington National Park Road between Sarabah and O'Reillys is open to all traffic under six tonnes with restoration work on three sites underway. Nerang Murwillumbah Road is open to local traffic past Natural Arch. Work to remove extensive debris was completed in June 2017 and detailed designs are being finalised to determine permanent restoration solutions.

Areas in the vicinity of the Sarina Range were hit with a deluge of up to 1,000 millimetres. The volume and intensity of rainfall caused significant damage to slope stability, fully saturating the pavement with a loss of seal in multiple locations and caused extensive damage to signage, guardrails and guide posts. Twelve slips were identified with two of them being identified as major slips. The two major slips were approximately 300 metres in length, each with significant areas of geotechnical failure. One of the major slips includes complete loss of the road and supporting embankment.

Although the damage has resulted in the closure of the road, TMR are committed to getting on with the job and to date have undertaken the following actions. They have established a detour along Bolingbrook Road and significant safety works have been undertaken to cater for increased usage. They have cleared debris from roadways and table drains have been reinstated on minor slip locations. They have removed debris from slip sites to allow a drill rig on site to undertake drilling and to allow staff to get on with the job of preliminary works at the base of the major slip. There is extensive geographical mapping and slope stability analysis to facilitate interim repairs and the development of restoration treatments, and acceleration of delivery by adopting a design and construction approach towards restoration utilising engineering and technology, RoadTek and external engineering consultants. All planned restoration treatments will allow for flexibility during design and construction to ensure road design requirements, construction time frames and community expectations are met.

**Mrs MILLER:** My question is to the director-general. Mr Scales, last year you came out to my electorate, which we are very grateful for. A stop sign at Redbank-Collingwood Park was changed to a give way sign—thank you very much for that. Mr Scales, can you now remove the road signage on the way down to the give way sign because it still says 'stop sign ahead'.

**Mr Scales:** I will get onto that straight away. I take the comment. I will do that.

**Mrs MILLER:** Thank you very much, because it causes much confusion. Director-general, I refer you to the Ipswich Motorway upgrade. There has been a lot of bureaucratic ping-pong between Ipswich City Council and Main Roads about who owns the roads on either side. I have been asked by residents in Riverview Road and Endeavour Road which agency is responsible for those particular roads. They have been asking for kerbing and channelling of these roads for several years. The council tells them it is Main Roads, and Main Roads tells them it is council. I would just like a definitive answer. If it is Main Roads, when will kerbing and channelling be undertaken in those two streets?

**Mr Scales:** I am not aware of the exact ownership at that particular point. With the minister's leave, can I take that on notice and have a look?

**Mrs MILLER:** Yes, please. That would be very good.

**CHAIR:** Will you come back during this session or will you take it on notice for later?

**Dr MILES:** We will do our best but if we do not come back we will take it on notice in the interests of getting an accurate response.

**CHAIR:** We may have to take it on notice.

**Mrs MILLER:** I am quite happy for the director-general to come back out again to my electorate.

**Dr MILES:** I am happy to make him.

**Mr Scales:** I am happy to volunteer.

**Ms PEASE:** Page 131 of Budget Paper No. 3 refers to the Pacific Motorway-Gateway Motorway merge upgrade. Can you please outline the scope of these works and what other works are under consideration for the Pacific Motorway?

**Dr MILES:** I know the Pacific and Gateway motorways merge is a huge headache for commuters, which is why we are getting on with the upgrade. We will be awarding the contracts for works in the first half of this financial year, with early works to begin in early 2018 prior to the Commonwealth Games.

TMR are currently procuring a design and construction contractor through a competitive early contractor involvement process. Early works will include the initial demolition of properties acquired for the project and service relocation works. The project will see the motorway upgraded with up to five

southbound lanes between Eight Mile Plains and Rochedale South, the relocation of the existing bus entry from the Eight Mile Plains Bus Station onto the Pacific Motorway and the installation of managed motorway technologies from Klumpp Road to Rochedale Road. It will also involve a brand-new four-lane overpass on Underwood Road as well as the realignment of Underwood Road itself.

We are also progressing the upgrade of the Mudgeeraba to Varsity Lakes section of the motorway. Those extra lanes will be a big help to visitors and Gold Coast locals, easing congestion and improving traffic times. Nearly 85 per cent of the design has been completed to upgrade almost six kilometres of the M1 between Mudgeeraba and Varsity Lakes. An early works construction project is already underway to relocate public utility services and install CCTV cameras at the Mudgeeraba, Robina and Varsity Lakes interchanges.

The major widening and interchange works are expected to begin by the end of the year and continue until late 2019 to early 2020. Building roads takes time and the work we are doing between Mudgeeraba and Varsity Lakes includes reloading over the Mudgeeraba flood plains with approximately 50,000 cubic metres of suitable material; reconstructing two bridges, the Mudgeeraba Creek overflow bridge and the Mudgeeraba Creek bridge; constructing a new bridge at Stapley Drive; and widening 5.7 kilometres of road with additional carriageways. Planning is also underway to widen the M1 further south to the New South Wales border and will be delivered in strategic priority stages as funding becomes available.

We are also undertaking planning on a number of other sections because we know how important the Pacific Motorway is for the south-east corner. We are undertaking preliminary evaluation and a business case for staged upgrades between the Gateway Motorway and Logan Motorway, looking to see what the top strategic priorities for that stretch of road are.

Another planning initiative which will support the future growth of the northern Gold Coast is the options analysis planning for the Yatala-Oxenford interchange. I would like to reassure Queenslanders there will be no lane closures due to roadworks during the Commonwealth Games and note that delivery schedules will not be impacted as a result of the games. During the games there will be no installation of barriers or changes to existing line markings that would limit the existing lane and carriageway widths; no short-term or long-term lane closures during peak or non-peak times; and no activity carried out on the road that would otherwise disrupt, distract or impact directly on motorists.

**Mr KNUTH:** I refer the minister to page 4 of the Transport and Main Roads Service Delivery Statements and the response given by the Minister for State Development in the estimates hearing last Wednesday, and I seek to table that answer. Can the minister provide an update on the Clump Point boat ramp's construction? Can this construction be commenced along with the recreational aspects of this project while waiting for the approvals from the Great Barrier Reef Marine Park Authority as the authority needs to give approval—

**CHAIR:** Sorry to interrupt. I missed that. You sought leave to table a document?

**Mr KNUTH:** Yes.

**CHAIR:** Is leave granted?

**Mr COSTIGAN:** Yes, it is.

**CHAIR:** Leave is granted.

**Mr KNUTH:** Can the minister provide an update on the Clump Point boat ramp construction? Can this construction be commenced along with the recreational aspects of the project while waiting for the approvals from the Great Barrier Reef Marine Park Authority as the authority needs to give the approvals only to the breakwater area and not the recreational aspects of the project?

**Dr MILES:** As the member is very well aware, Transport and Main Roads have only recently taken carriage of this project from State Development, as you noted in your question. Transport and Main Roads have been working closely with State Development and the Cassowary Coast Regional Council for some time with planning for the project already undertaken. We will soon be releasing revised concept plans for the \$18 million project. The concept design includes a new breakwater plus an upgrade to the existing breakwater, two new pontoons, pen berths and access jetty, a widened boat ramp, a new floating walkway and other onshore improvements. Our intention is to deliver as much of the infrastructure as possible within that project budget. However, this will be dependent on the tender prices during the construction phase.

As the member has emphasised, this project would be a very welcome boost to the Mission Beach community. It will support the community by helping them to re-establish a reef based tourist market and provide improved recreational boating facilities. It will also generate much-needed

employment opportunities for North Queensland during the construction. As the member notes, the next steps are to gain environmental approvals to support the project and progress it to a detailed design stage. In terms of the question of whether any works can commence prior to having GBRMPA approval for the works that require GBRMPA approval, I am advised that that will require some legal advice, so we will take that on notice and undertake to come back to you once we have that advice.

**Mr POWELL:** Director-general, I want to ask a couple of questions with regard to the sinking of the HMAS *Tobruk*. As a bit of a very short preamble, it is my understanding that they are undertaking the preparatory work for the HMAS *Tobruk* at the port of Bundaberg. I understand some dredging was undertaken at the port of Bundaberg in preparation for housing the *Tobruk* while that work was done. Can you please share with the committee how much that dredging cost?

**Mr Scales:** I thank the member for the question. I think that is not necessarily one of our projects. Do you just want the cost of the dredging? I will pass to the minister.

**Mr POWELL:** My understanding is that the port of Bundaberg is part of the minister's responsibilities and, therefore, your responsibilities as the director-general. There was some dredging undertaken. Do you not have available the cost for that?

**Dr MILES:** The cost was in the order of \$350,000.

**Mr Scales:** For clarification, in relation to the port GOCs, I do not have any direct responsibility.

**Dr MILES:** I should say that I know that because I am the Minister for National Parks, not in my capacity as acting Minister for Main Roads.

**CHAIR:** Let's not cross boundaries.

**Mr POWELL:** On that basis, perhaps, Minister, if you could answer, could you confirm that that site that was dredged at the port of Bundaberg will now not actually be used to house the *Tobruk* while it is undertaking that preparatory work?

**Dr MILES:** In a moment I will invite the CEO of that particular port up to address some specifics of that. It was always the case that that dredging had to occur in order to evaluate whether the site was appropriate to house the *Tobruk*. It was also the case that the dredging of that site was appropriate, useful and beneficial to the port, so it is not the case that those funds have been wasted. They have, in fact, delivered a dredging outcome for the port and also allowed us to evaluate the appropriateness of that location. I would invite the port CEO to talk more about how that evaluation—it may actually be more appropriate for MSQ—occurred if you like.

**Mr POWELL:** Who are you calling up, Minister?

**Dr MILES:** The port CEO.

**Mr POWELL:** While the port CEO is—

**Dr MILES:** Let's just let him come up.

**Mr POWELL:** Sorry, are you running this? I actually thought that was the chair's job.

**Dr MILES:** I think if we have someone on their way up to talk we should allow them to do so. They are here now.

**Mr POWELL:** Mr O'Sullivan, my understanding is that this dredging occurred, and only after it occurred MSQ consulted with the port authority, the harbourmaster and local industry to determine that where the dredging occurred was not the best site for housing the *Tobruk* during its preparatory work; can you confirm that?

**Mr O'Sullivan:** The works were undertaken under the auspices of National Parks. As part of their initial assessment both the port authority and MSQ were involved in an assessment of the dredge location. The dredge location was selected because it is an area that will be required to be dredged in the future, and therefore any dredging undertaken would be part of future development works.

**Mr POWELL:** It is my understanding, Mr O'Sullivan—and please correct me if I am wrong—that dredging was brought forward specifically for the preparatory works on the HMAS *Tobruk*.

**Mr O'Sullivan:** Yes, after the assessment between the parties and because of the works that were required to be undertaken on the *Tobruk*, that work was brought forward as part of the initial planning. As the member may be aware, after a review of the plans and the requirements and the risk management plan associated with the works, the *Tobruk* is now being worked on at one of the port's wharves.

**Mr POWELL:** At the molasses port. Who made the decision to bring forward that dredging, Mr O'Sullivan?

**Mr O'Sullivan:** My understanding is that at the end of the day it was after discussions between MSQ, representatives of the port authority and National Parks that the decision was made and the project funded by National Parks.

**Mr POWELL:** Just to be clear, we have spent \$330,000 dredging a part of the port of Bundaberg that will not be used to house the HMAS *Tobruk* while it is being prepared to be sunk?

**Dr MILES:** That needed to be dredged at some point.

**Mr POWELL:** At some point. We also had a discussion, Minister, that at some point you will be spending money on roads. What analysis has been done on the safety impacts at the marina of having the *Tobruk* housed where it is now being housed, near the molasses terminal?

**Mr O'Sullivan:** Under the lead of National Parks, we have undertaken a full risk assessment of the wharf and worked with MSQ in particular on the safe mooring of that vessel. There is a program in place which involves regular inspections and regular tensioning of the mooring lines to make sure it is safely moored at all times. A risk assessment is also being done on the potential for any flooding and ensuring that the mooring system would be safe in the event of any flooding in the Bundaberg region. Similarly, there has also been a risk assessment done on the access to and from the vessel to ensure that the future works can be undertaken in a safe manner.

**Mr POWELL:** Mr O'Sullivan, can you please tell me and the committee what other costs you anticipate the Port of Gladstone having to bear in preparation for the sinking of the HMAS *Tobruk*?

**Mr O'Sullivan:** From the port's perspective we do not anticipate there will be any particular costs. The project is being funded by National Parks, so any of the costs to date in terms of the work that is being done for *Tobruk* are being funded by National Parks, and the port has merely been working with them to ensure access to the wharf and also safe access to and from our site.

**Mr POWELL:** Acting Minister, I refer to page 135 of the Capital Statement where it refers to North Queensland Bulk Ports Corporation and the port of Abbot Point. Can you please confirm whether you support the Adani Carmichael coalmine, given it will see increased productivity for North Queensland bulk ports and the port of Abbot Point?

**Mr WHITING:** Point of order, Mr Chair.

**CHAIR:** That is a bit of a hypothetical question. Can you rephrase it?

**Mr POWELL:** Given there will be increased productivity at North Queensland bulk ports, specifically the port of Abbott Point, does the acting minister support the Adani Carmichael coalmine?

**Mr WHITING:** Point of order, Mr Chair.

**CHAIR:** Is the question to do with the port or the coalmine, which is not part of the minister's portfolio? Are you asking whether he supports the port?

**Mr POWELL:** Does the minister support the mine that will provide increased productivity at Abbot Point, one of North Queensland bulk ports?

**CHAIR:** Minister, I would ask you to answer the question relating to the portfolio which is being examined.

**Dr MILES:** This question was put to me in my previous estimates hearing and I answered it there. The Labor Party has been very clear around our commitments regarding the development of Abbot Point in order to facilitate the Carmichael project. That involves assuring the Queensland public that we will not allow capital dredge spoil to be dumped in the Great Barrier Reef, we will not allow that dredge spoil to be dumped in the Caley Valley wetlands, as the LNP intended, and they will need to demonstrate financial closure before they can commence any capital dredging at the port. We have stood by those commitments. I have been pleased to help deliver those commitments. Clearly, as ports minister I support all of the activities of the government to increase our exports through our ports because that means jobs for Queenslanders.

**Mr POWELL:** The answer is that you cannot answer.

**CHAIR:** No, the minister did answer the question. I will ask you to withdraw that statement.

**Mr POWELL:** I withdraw, Mr Chair. Page 11 of the Service Delivery Statements refers to the ReefVTS project. Director-General, can you please provide an update on the tender for the update to the ReefVTS?

**Mr Scales:** The reef vessel tracking system provides a very valuable oversight of that part of our coastline and is being used very, very powerfully to correct vessels in terms of what track they have and where they are going. The cost is around \$15.2 million in 2017-18. It employs 60 people. As I have said, it tracks things.

**Mr POWELL:** It tracks ships through the reef, Director-General.

**Mr Scales:** Thank you. I will take that correction. We are currently out to tender for the replacement of that, but we have to make sure that is done in a very considered manner. I would not want to dismantle one system while another system was brought online. As to the cost, I think we are still going through that process at the moment. With the minister's leave I can take on notice the exact cost on that.

**Mr POWELL:** I did not ask for an exact cost; I was just asking for an update at this stage.

**Mr Scales:** At this stage it is still—I was going to say 'in train', but that might be the wrong term. It is a very powerful sort of tool that we use to great effect, particularly during tropical cyclones as well as in normal operations.

**Dr MILES:** It is very impressive. If members have not seen it, they should.

**Mr POWELL:** Director-General, can you confirm that the tender was originally called for more than two years ago?

**Mr Scales:** These things are incredibly complicated. They use surveillance techniques that are very specialised. It may have been called a long time ago, but we as a department are making sure that we have the right safe system to go forward with.

**Mr POWELL:** Would you not have wanted to make sure that the requirements of the tender were sorted before you put it out, rather than take two years to award a contract?

**Mr Scales:** It is an iterative process. There are not many ReefVTS systems around in the world. I know that our colleagues in AMSA have one that looks at about a tenth of the world's surface. It is an incredibly specialised area, so it will take a while to make sure we have the right system and the right solutions. Because this sort of technology is moving really quickly—and I am just speculating here—it may have been that the terms of reference have been modified iteratively. I would not want to say that we should have got that tender out by this point in time and then have a result that. I would rather take the time to get it right and have the right system.

**Mr POWELL:** Whilst you are taking the time to get it right, what analysis has been done on the increased risk to vessels hitting the reef as a result of this update not occurring?

**Mr Scales:** I can assure the member that there is no increased risk. The system is secure and worked very effectively during Tropical Cyclone Debbie. We have used the system to contact masters who have unknowingly been heading towards the reef and turned them around, so the system is very, very secure.

**Mr POWELL:** At this point I will call Mr O'Sullivan back to the table. Mr O'Sullivan, I think the minister said that the dredging that did occur at the port of Bundaberg will ultimately be needed. When?

**Mr O'Sullivan:** The area that is being dredged is looking at future expansion of the marina part of the port. Currently discussions are underway with a consortium of companies looking at investing into the port, including a large-scale investment on the foreshore and also an investment into expanding the marina. In terms of time frames, they will depend on the successful conclusion of those negotiations because part of those explanations is around establishing time frames for the development. At this stage, until those negotiations are done I do not have a firm date for those.

**Mr POWELL:** I am not trying to be obtuse here, but are we talking months or years?

**Mr O'Sullivan:** The program would be staged over a number of years. The expansion of the marina may occur either as part of stage 1 in the next couple of years or as part of stage 2. That is part of the negotiations around what the priority developments are in that area.

**Mr POWELL:** Has any work been done by the Port of Gladstone on the rate of refill of that dredging and therefore whether by the time those negotiations are concluded what has been dredged will be filled up again by what is coming down the river?

**Mr O'Sullivan:** I am unaware if that was part of the review, and I would take it on notice to look at the hydrographic information that was collected at the time. I am not aware if that was part of the calculations.



**Dr MILES:** I would note that the berth is part of the existing maintenance dredging program and is maintained already.

**Mr POWELL:** It is maintained already, but what I am trying to understand is how—

**CHAIR:** Are the dredging expenses relevant to this portfolio?

**Mr POWELL:** Yes, they are.

**Dr MILES:** No. The expenses were met by National Parks. This is a project run by National Parks. The opportunity to ask me questions about it really was last week.

**CHAIR:** I ask you to continue, but remember that we are asking about—

**Mr POWELL:** I am trying to get clarification, because whilst the money might have been spent by the Department of National Parks it is the Port of Gladstone that has oversight, it being their port. Taxpayers' money has been spent. I am trying to ascertain even if it will be used—

**Dr MILES:** The dollars were in the Service Delivery Statements for National Parks, not the Service Delivery Statements for Main Roads.

**CHAIR:** Do you have a question?

**Mr POWELL:** The hydrographic report that Mr O'Sullivan just referred to is under the Port of Gladstone. If I had asked that question of the Minister for National Parks last week, I would have been told to speak to the CEO of the Port of Gladstone. I am simply asking, given that it may be years before the benefit will come from those taxpayers' dollars spent in the National Parks portfolio, what rate of refill will occur and therefore whether that will—

**CHAIR:** I think that question is about National Parks and I will have to rule it out of order.

**Mr POWELL:** I am struggling to see that, Mr Chair. It is about the port.

**CHAIR:** Do you have any other questions?

**Mr POWELL:** Of course I do, Mr Chair. Director-General, can you please outline what advice and consultation you undertook with regard to the government's decision to force trucks into the left lane of the M1 at the Gold Coast, and have there been concerns raised with you about the impact this will have on the safety of general motorists with regard to weaving, merging and exiting at off-ramps?

**Mr Scales:** This relates to trucks being restricted to the inside lanes from 1 August. Basically, we undertook consultation with industry. As far as this is concerned, it is not a new thing. I was in Melbourne over the weekend and there is a 43-kilometre stretch on the A1 into Melbourne where trucks are restricted to the two inside lanes.

This is to reduce congestion and improve reliability and safety on the M1 during the Commonwealth Games. Obviously the safe and reliable movement of athletes, officials and spectators between Brisbane and the Gold Coast is critical. The M1 initiatives will be supplemented by increases in heavy rail services and we are also reducing the speed on the 100-kilometre lanes by 10 kilometres per hour to 90 kilometres per hour from the M1-M3 merge at Eight Mile Plains to the Logan Motorway interchange from 1 March 2018. Reducing the speed in this area will certainly help, as will allowing vehicles carrying athletes and officials under police escort to travel along the hard shoulder for a section if required when there is congestion. We are also putting in temporary ramp management and additional traffic response units and looking to do this in a controlled way.

Research in Australia and overseas has demonstrated that safety and efficiency of all road users is improved if large vehicles are restricted to certain lanes. The Victorian government, as I mentioned, did that between Melbourne and Geelong in 2010. In the USA lane restrictions have also been implemented in South Carolina and Texas. In South Carolina the initiative resulted in a 78 per cent reduction in truck related crashes and in Texas the initiative resulted in a 68 per cent reduction in all crashes. To the member's point, a comprehensive communication package was prepared and we took it out to the trucking industry through social media through TMR, LinkedIn, Facebook and Twitter and direct mail to the industry. We also did messages promoting new restrictions on TMR's variable message signage and also permanent signage will be introduced. The only concern, which is to the member's point I think, is that certain of the trucking peak bodies have said that they do not mind the restrictions and they do not mind the inside lanes; it is the three penalty points that might be levied if they did not observe that regulation.

**Mr POWELL:** Can I just clarify: you mentioned that there was a comprehensive package that was conveyed to the industry. Was that in the form of information after the decision was made or consultation prior to the decision being made?

**Mr Scales:** My recollection is—and I will have to check—it was done before. The consultation was done before the decision.

**Mr POWELL:** Thank you.

**CHAIR:** Thank you. We will now go—

**Dr MILES:** Mr Chair, just before you proceed to government questions, I have some more information that the member for Whitsunday will be interested in. It relates to questions he was asking earlier. I can confirm that, in addition to the funding published in QTRIP for the development of a business case to upgrade the flood immunity of the Hamilton Plains section of the Proserpine Shute Harbour Road, I am sure the member will be excited to learn that not published in QTRIP there is a funding allocation to develop the business case for the duplication of Proserpine Shute Harbour Road from Island Drive to Waterson Way and from Coconut Grove to Hermitage Drive, and I look forward to him welcoming that.

**Mr COSTIGAN:** Right; no Hamilton Plains? Thanks, Minister.

**Mr Scales:** I return to the member for Bundamba's question about the road ownership issues. Endeavour Road is definitely council. Riverview Road is council but is state controlled where it becomes the on-ramp and our section has kerb and channelling. With my minister's leave, I will go and talk directly to my colleagues in Ipswich City Council on this.

**Mrs MILLER:** Thank you.

**CHAIR:** We will move to the member for Lytton.

**Ms PEASE:** Minister, page 7 of Budget Paper No. 3 refers to the Transport Infrastructure Development Scheme. What impact does this program have in local communities? Can the minister please outline any recent changes to the program?

**Dr MILES:** I thank the member for Lytton for her question. The Palaszczuk government understands the importance of funding transport infrastructure in regional Queensland and a key component of that support is the Transport Infrastructure Development Scheme. On forming government in 2012, the LNP government, with Tim Nicholls as treasurer and Scott Emerson as transport minister, reduced TIDS funding from \$63.3 million to \$40 million per annum. That is a 37 per cent reduction in crucial roads funding. The member's local regional roads and transport group saw a 22 per cent cut in funding. With no warning before their election, they came to government with every intention of slashing roads funding across the state. We know their track record: promise the world from opposition and then—

**CHAIR:** Minister, could I ask you to just stick to facts and not put in any—

**Dr MILES:** Sure. Our 2015 state budget accelerated an increase to TIDS of \$30 million per annum and we have seen this much needed increase in funding continuing from 2017-18. The additional \$30 million per annum increased the total TIDS to \$70 million, with the base allocation managed by regional road and transport groups increasing from \$31.2 million per annum to \$61.2 million per annum. A further \$8.2 million is allocated annually for Aboriginal and Torres Strait Islander councils for the upgrade of transport infrastructure that improves access by roads, air and sea to Indigenous remote communities and an additional \$0.6 million is allocated annually through the Statewide Capability Development Fund to develop the capability and capacity of regional roads and transport groups.

TIDS funding underpins the Roads and Transport Alliance, a 15-year partnership between the Department of Transport and Main Roads and the Local Government Association of Queensland, on behalf of Queensland local governments for the stewardship of the regional road and transport network. Under the alliance, local governments voluntarily collaborate with TMR districts to form 17 regional roads and transport groups that make local transport infrastructure investment decisions based on regional priorities. The 2016-17 TIDS program comprised 256 projects statewide. The financial sustainability of rural and remote councils is highly dependent on the certainty of roads and transport program funding, with the roads program forming the bulk of councils' operating expenditure. That is why the Palaszczuk government is investing \$70 million in 2017-18 for the program and \$280 million over four years across the state. This is more than a 90 per cent increase in funding compared to what the LNP committed in their last budget. The Palaszczuk government understands the program provides local government with certainty of funding to promote good planning and best value delivery methods. It also assists to maintain local government employment in regional areas at a time when jobs and job security remain a priority.

**Mr WHITING:** My question is to the minister. Minister, I refer to page 9 of the SDS which refers to improving road safety by delivering initiatives in the Queensland Road Safety Strategy and action plan. Can you update the committee on the progress of this implementation?

**Dr MILES:** I thank the member for Murrumba for his question. Unfortunately and sadly, serious injuries and deaths still occur on Queensland roads. When the Palaszczuk government launched Queensland's Road Safety Strategy in 2015 we committed to an ultimate goal of zero fatalities and serious injuries and an interim milestone to reduce this trauma by 30 per cent by 2020. It may sound ambitious, but we must do our best to put an end to tragedies on our roads. The Road Safety Action Plan introduced to support the strategy set out what we will do to reduce road trauma. The 2015 to 2017 action plan included 57 initiatives which are all either completed or are ongoing. The next two-year action plan will be released during Road Safety Week in August and I encourage all members to get behind it.

We have focused our efforts on education and engagement, enforcement, technology, roads and roadside infrastructure, and research. There are a number of major achievements which have come from that plan, some of which I will list now. We have allocated more than \$500 million through the targeted road safety program to Safer Roads Sooner, Safety Mass Actions, high-risk road route actions, federal blackspot projects and motorway treatments. The Community Road Safety Grants scheme has delivered more than \$12 million for programs for young people and grassroots projects. We have released and implemented the Heavy Vehicle Safety Action Plan 2016-2018 in collaboration with industry. Earlier this year we released the drink-driving discussion paper to seek community views on a range of policy and program reforms. This has been an issue the community has really engaged on and we received a large number of submissions. Legislation is currently being drafted which will give effect to these changes later this year.

We are continuing our support for the Australasian New Car Assessment Program to rate new vehicles on their safety features and raise the bar beyond the minimum standards specified under the Australian Design Rules. Newer vehicles are demonstrably safer. The 31 per cent of the fleet built between 2010 and 2015 accounts for only 11 per cent of recent fatalities. Of course, we are not forgetting our new and often our youngest drivers. Our recent Protect Your P-Plater campaign involved engaging parents around the important safety features of newer cars. Statewide advertising and social media campaigns have also been an important part of our Road Safety Strategy. Campaigns such as the Sixth Sense motorcycle safety campaign, Let's Change the Way We Look at Speed campaign and the Memories campaign engage Queenslanders and start conversations about safe behaviours and the consequences of unsafe driving. Engagement with key stakeholders and at-risk groups has included four Safer Roads, Safer Queensland forums, two Co-Lab young driver events, a citizens' task force to examine complex road safety issues and two statewide Road Safety Week events. While we still have a way to go, these actions show the Palaszczuk government is clearly making inroads to providing safer motoring conditions for Queenslanders.

**Ms PEASE:** My question is to the minister. We all know the value of community based initiatives. One that has been extremely successful in my electorate has been the flashing light school zone scheme. Could you please advise the committee of the success of the scheme statewide?

**Dr MILES:** I thank the member for her question and also thank her for her ongoing advocacy for school zone signs right across Queensland but especially in your community. Flashing signs play an important role in alerting motorists that they are entering a school zone, reminding drivers to slow down and to keep an eye out for children. The signs only flash on school days and during school zone times, so motorists are notified when children are likely to be around. We want to create a safe environment for our students to allow them to focus on their studies rather than having to worry about careless drivers. Adhering to the speed limit is always vital and we urge all motorists to follow the road rules and help us create a safe environment for students when they are arriving and leaving school.

The 2016-17 program installed flashing school zone lights in another 100 Queensland school zones. As at 30 June 2017, the Queensland government has installed flashing school zone signs at 744 Queensland schools. The program for 2017-18 will also deliver flashing school zone signs to another 100 school zones worth around \$4.1 million. This means that by 30 June 2018 flashing school zone signs will have been installed at nearly 45 per cent of Queensland schools. I note that the member for Lytton will see flashing school lights installed at three schools within her electorate—Iona College, Brisbane Bayside State College and Wondall Heights State School

**Ms PEASE:** Thank you, Minister.

**Dr MILES:** Due to the success of the program, the Palaszczuk government has now extended the flashing school zone signs program. This will allow the government to install signs at a further 300 school zones from 2018-19 to 2020-21. The funding for this initiative was approved as part of the 2017-18 state budget. Sites continue to be selected based on a number of criteria, including a detailed risk analysis of school zones and nominations by schools and communities based on local knowledge of particular problem areas through their members of parliament. Priority continues to be given to school zones with a significant crash history, on-road pick up and set down in the zone, high level of vehicle and pedestrian traffic, higher speed limits or visibility problems.

**CHAIR:** With reference to page 9 of the SDS, what steps is the Palaszczuk government taking to address road safety for our motorcyclists?

**Dr MILES:** I thank the member for his question. Tragically, motorcyclists continue to be overrepresented in the Queensland road toll. It is absolutely gut wrenching every time I hear of another fatality on our roads, no matter what vehicle they are driving. That fatality is more than just a statistic; it is a mother, a father, a child, a brother or a sister who has just been tragically killed which has far-reaching emotional trauma throughout our entire community. While motorcyclists represent just five per cent of registered vehicles, they account for nearly a quarter of our road toll. The Palaszczuk government is committed to improving the safety of motorcyclists on Queensland's roads. In October 2016 we introduced an enhanced motorcycle licensing system to improve the safety of our riders. The changes included a new pre learner training and assessment course, a minimum learner licence tenure period and greater standardisation of Q-Ride courses. The enhanced system incorporates a stronger emphasis on safer riding behaviour and higher order skills to ensure novice motorcycle riders are equipped with the appropriate skills and attitudes to ride safely.

In 2016-17, more than \$4.6 million was allocated under the targeted road safety program on projects that targeted road trauma involving motorcyclists. Projects included installing under-run barriers, protective right turns at intersections and plastic signs and guideposts targeting motorcycle crash black spots. In July 2016, we launched a new online motorcycle safety campaign called Sixth Sense featuring five-time world MotoGP champion Mick Doohan. The campaign used a positive and educational approach to appeal to motorcycle riders, encouraging them to use their sixth sense to manage their risk on the road and reduce the chances of a crash. A range of online resources, including video tutorials, provided demonstrations of positive riding behaviour and strategies. The approach was well received by motorcyclists and we are looking to expand on the campaign in 2017-18.

In terms of law enforcement, four unmarked police motorcycles were purchased with the aim to lower the injury and fatal crash statistics for motorbike riders. Those police motorcyclists now police four identified motorcycle crash hot spots around South-East Queensland, with an additional fifth patrol sector in the Cairns area. These police motorcyclists travelled 101,984 kilometres over 2,974 officer hours of operation and issued 1,124 infringements during the period June 2016 to March 2017. It is these policies and strategies that show that the Palaszczuk government is committed to reducing the road toll for all Queenslanders, including motorbike riders.

**Mrs MILLER:** My question is to the minister or the director-general. I ask the question in relation to faulty airbags and people who are driving cars that have faulty airbags. What is the Queensland government doing in relation to this very serious road safety issue? I am asking this because many people in my electorate drive cars that have these airbags. They have gone back to the manufacturer. They have been refitted but, apparently, they are still faulty. It is a road safety risk. I am wondering if there is anything that you can do at all.

**Dr MILES:** I will ask the director-general to address that question.

**Mr Scales:** I thank the member for Bundamba for the question. It is obviously a very concerning matter. We are keeping a close eye on it through national bodies such as Austroads, of which I am a member. The Austroads technical people are on to this now. Our colleagues in the police are obviously interested in it as well. As you say, it is intelligence led, so we are trying to find out via the original equipment manufacturers. We do not have a direct locus there.

I can say that, from a national point of view, Austroads is looking at this very clearly. I know that our colleagues in the police are alert to it. We will keep it under advisement. If anything happens that we can take any action on, or if anything happens so that we need to send out an alert, we will do that through my minister. At the moment, all we have is what you have seen in the press, but the technical side, using Austroads, is certainly all over this one.

**Ms PEASE:** Can you give me some information as to how the success of the Co-Lab program has contributed to safer attitudes on Queensland roads, as mentioned on page 10 of the SDS?

**Dr MILES:** I thank the member for Lytton for her question. Co-Labs have changed the way young people think about and engage with road safety. It is a road safety strategy that is designed by young people for young people and delivered via mediums popular with young people. Why is the Palaszczuk government targeting younger drivers? Simply, they are overrepresented in the road toll. It is confronting when you realise that young drivers make up just 14 per cent of all licence holders but account for 34.8 per cent of all people killed or hospitalised in road crashes.

The first Co-Lab Youth Innovation Challenge, introduced in 2015, brought together teams of young people who were set the task of coming up with a fresh concept to engage with young drivers about road safety. That is where Settle Down Stallion was born—a road safety strategy that used humour to connect with our most vulnerable road user group. The end result was a short, humorous online ad targeting young men that stigmatised unsafe driving and speeding. The campaign was a roaring success, reaching more than 4.7 million people while the video was viewed more than 2.7 million times. It was followed up last year with the second Co-Lab, which resulted in the already successful Chin Up campaign, which seeks to stop young people using their mobile phones while driving. The Chin Up campaign targets this behaviour, taking a whimsical, comical look at different distractions behind the wheel—akin to being distracted by the content on your mobile phone. The tagline ‘phone down, chin up’ encourages drivers to remain aware, look up and put away their phones.

The videos that were released last month might be funny, but they also deliver a serious message about mobile phone use while driving. They are now online and achieving great results, with more than six million impressions and more than one million video views since launching. It is clearly an important message to broadcast. Many young people put themselves and others at risk by using mobile phones while driving. It is a serious concern that 88 per cent of young drivers admit to using phones while driving and that they are among the most vulnerable road users.

It is also important to note that, in addition to the viral success of these two campaigns, the hands-on experience gained by the young people working to develop them has been incredibly valuable. They have been amazing opportunities for young people to collaborate with the government on important road safety issues that affect not just young people but also all Queenslanders. Co-Labs are expected to continue into the future with the strong support of the Palaszczuk government.

**Mr WHITING:** My question to the minister is on cycling infrastructure. I am interested in this. I am a member of the Moreton Bay Cycling Club and we use the wonderful cycling infrastructure that was constructed as part of the Moreton Bay Rail Link and I can appreciate how valuable it is. Can the minister outline for the benefit of the committee what is being done to improve Queensland’s cycling infrastructure?

**Dr MILES:** I thank the member for Murrumba for his question. That infrastructure through that new rail link is truly fantastic. More than 802,000 Queenslanders ride a bike each week and 1.53 million would ride if the conditions were right. Current and future cyclists need to be supported by good planning and investment in safe cycling infrastructure. If we get our investment right, we can remove many of the barriers that are holding Queenslanders back from cycling.

Cycling and other modes of active transport should be as seamless as car transport in our cities. Building connected networks gets more people riding and keeps our cities moving by reducing traffic congestion—a true win-win for Queensland. We want more Queenslanders to take advantage of the health benefits and convenience of cycling and we want to encourage people to cycle for fun, for socialising and to experience our communities.

When he was the transport minister, the member for Indooroopilly described cycleways as ‘gold plating’ and oversaw cuts of more than \$100 million in cycling expenditure over the forwards. The LNP cut cycleways in favour of traffic lanes and the LNP ripped out \$25 million in cycle network grants.

That is in stark contrast to the Palaszczuk government, which is investing over \$44 million this financial year and \$182.5 million over the next four years into safe, direct and connected cycling infrastructure throughout Queensland. There are 157 projects scheduled for delivery over 2017-18 to 2020-21 and this figure does not include cycling projects that were delivered as part of major projects such as the Gateway Upgrade North and, of course, the Moreton Bay Rail Link that the member for Murrumba has mentioned, and new projects such as the Smithfield bypass and the Ipswich Motorway.

The cycling works program invests capital funding to deliver cycling infrastructure on the state controlled transport network. Key projects include the North Brisbane Bikeway stages 2 to 4 in Brisbane at a cost of \$14 million; the Bohle River Bridge in Townsville, which is \$6.3 million between 2018-19 and 2019-20; and the Nicklin Way on-road cycle facility on the Sunshine Coast, which is costing \$2.2 million.

The cycling grants program provides capital grant funding to local governments to deliver cycling infrastructure on the local controlled transport network. Funding is provided on a dollar-for-dollar matched basis—50 per cent co-contributions. Key projects include the Kangaroo Point Bikeway stage 1 in Brisbane at a cost of \$2.25 million; the Mooloolaba-Minyama cycleway stage 5 bridge on the Sunshine Coast at a cost of \$2.58 million; and the Caboolture to Wamuran Rail Trail stage 1 in Moreton Bay at a cost of \$1.5 million. We also continue to plan for the next generation of cycling projects and explore ways to improve safety on key on-road cycling routes, such as the Moggill Road corridor study.

Investment in cycling is driven by the Queensland cycling infrastructure investment strategy and business case targeted at delivering 550 kilometres of highest priority routes over the next 10 years. We know that, on average, every dollar that we invest in cycling infrastructure returns almost \$5 in wider economic benefits to Queensland through better health outcomes and reduced traffic congestion.

Importantly, we are learning from the best and drawing on national and international expertise about what gets more people riding and adapting that to the Queensland context. We are also engaging directly with cyclists and their representatives in the development of our cycling strategies, planning and programs. That includes the new 10-year Queensland Cycling Strategy and accompanying two-year action plan, which will be released soon.

**Mr WHITING:** With respect to page 15 of the SDS and the measure of average subsidy per trip provided through the Taxi Subsidy Scheme, can the minister outline the steps that the government has taken to provide certainty to wheelchair users when it comes to transport?

**Dr MILES:** I thank the member for his question. This is a really important issue, especially for the disabled members of our community. On 15 July, the government announced that it would be reinstating the Taxi Subsidy Scheme for NDIS participants. It is important that people with disabilities are not put at a transport cost disadvantage.

The Queensland government agreed to cash out the Taxi Subsidy Scheme as part of its contribution to the NDIS. TSS was cashed out on the basis that the NDIS would fund reasonable and necessary transport supports that meet similar outcomes for former TTS members. Since late 2016, there has been growing concern from former TSS members, disability advocacy groups, the taxi industry, carers and health and allied health professionals that the transport supports being provided by the NDIA were not meeting participants' transport support needs. I want to particularly acknowledge the Queenslanders with Disability Network for its advocacy on this matter.

From those representations, the Palaszczuk government decided to reinstate the TTS as an in-kind contribution to the NDIS until mid-2019. This will involve reinstating the TSS to former members who had their TSS cancelled because of a transition to the NDIS and also ceasing the cancellation of TSS membership for people who are not yet transitioned to the NDIS. These arrangements will be in place for the remainder of the transition period, until 30 June 2019. It will ensure that transport supports for Taxi Subsidy Scheme members continue to be supported while the Queensland government works with the Commonwealth and other states to consider and resolve stakeholder concerns about transport supports provided under the NDIS. The arrangements will not impact the ongoing provision of the TSS to members who are not eligible to join the NDIS. For those people, the TSS will continue to be provided.

I am pleased to advise that the process for reinstating members is already well underway and is expected to be completed in the next couple of weeks. Moving forward, TMR will continue to work with the Department of Communities, Child Safety and Disability Services, the Commonwealth and other states to investigate and address concerns raised by stakeholders with transport supports to be provided by the National Disability Insurance Scheme.

**CHAIR:** Thank you. We will now move to the member for Glass House for a question.

**Mr POWELL:** Thank you, Mr Chair. I was interested to see this morning that the minister made an announcement about electric vehicles standing next to an electric BMW. An owner of a BMW i3 has written to the LNP claiming that the charging stations that the present Queensland government is planning to install from the Gold Coast to Cairns do not have the plug that fits his vehicle. Director-General, can you please confirm which electric vehicles currently on the Australian market will fit the charging stations that you are planning to install?

**Mr Scales:** I thank the member for Glass House for the question. By way of preamble, we released The Future is Electric strategy—Queensland's electric vehicle strategy, the first of its kind in Australia. There are 16 cost-effective measures. As to the very specific point you have made, with my minister's leave I will take that on notice, because there will be many different types of electric cars. I saw that there was a Tesla outside this morning. There is also the Nissan Leaf.

Your question is basically about our charging stations, which is a project that we have just inherited from another part of the government. As to whether a particular charging plug or socket fits a particular type of vehicle, I do not have that to hand but I will certainly be able to get that information for you. Was it a BMW?

**Mr POWELL:** It was a BMW i3.

**CHAIR:** It piques my interest as an electrician. I am sure there would be an adaptor of some sort. Minister, do you want to add to that to see if we can get to the bottom of it?

**Dr MILES:** Given the involvement of Energy Queensland, it is probably something we can answer in the subsequent session today, but if not we can take it on notice.

**Mr POWELL:** Supplementary to that, and I am happy for you to take that on notice, would you also be able to provide a list of the number of electric cars registered in the state by make and model and confirm that each of those will be able to use the stations that are being built?

**Mr Scales:** I thank the member for Glass House for the question. As an ex electrician as well, I know that there are something like 700 electric vehicles in the state that are registered, because I did look this up before, and that does not include hybrid vehicles. You just want electric vehicles. Again if my minister will allow, I will take that on notice because we have that sort of information in the system somewhere. We will certainly get it to you. I think it is around 700.

**Dr MILES:** I can answer the member for Glass House's earlier question. We will take the subsequent question on notice, the question regarding the number of vehicles of different types. The Tritium, which is the charger that was unveiled in Cairns recently, supports both fast charge standards currently available in Australia so it should charge that BMW. There is also in Cairns an EVlink manufactured by Schneider. It has a dual 22-kilowatt AC charger supporting AC type 2 that will be able to charge most existing EV and PHEVs in market via a socket type, but users will have to charge using cables supplied with their car, which is a common practice.

**Mr POWELL:** Just to be clear, that is still a 'should' or a 'most'. If I could get a definitive that yes the stations will fit a BMW i3.

**CHAIR:** I think the minister answered that the leads should come with the vehicle.

**Dr MILES:** The Tritium should charge all vehicles currently available. The alternative, the second site in Cairns, would charge most dependent on the socket that they carry in their vehicle.

**CHAIR:** You were referring to one at the Gold Coast, were you?

**Mr POWELL:** No, it was that whole length or road from Gold Coast to Cairns. To be clear for *Hansard*, my understanding is the minister has taken on notice that he will provide the list and number of electric vehicles by make and model.

**CHAIR:** Yes. Thank you. We will now move to questions from the member for Southport.

**Mr MOLHOEK:** My question is to the director-general. It is in respect of the taxi industry assistance package. I note in the answer to question on notice No. 14 that there has been some \$23 million of hardship payments paid. There is commentary that there are some high payments that have been made to date in the order of \$90,000, whereas the average was \$9,374. My question simply is can you provide some detail around the \$90,000 payments and just detail the components of that payment or explain why some payments were made at \$90,000?

**Mr Scales:** I thank the member for the question. I am just looking at the question on notice No. 14. My understanding was the figures were per vehicle or per applicant. It is \$9,374. The highest amount paid is \$90,000. That might have been to a person who owned multiple taxi or limousine licences. Can I take that on notice, Minister, and just get that detail?

**Mr MOLHOEK:** It would be helpful if we could make that a question on notice.

**CHAIR:** Could you repeat that question?

**Mr MOLHOEK:** The question is can you provide detail on the components of those \$90,000 payments or other higher payments in that order.

**Dr MILES:** Why don't we provide in a question on notice response an example or a case study of what would lead to a \$90,000 payment; is that suitable?

**Mr MOLHOEK:** Yes, and just a breakdown of what that \$90,000 represents.

**Dr MILES:** Sure.

**Mr MOLHOEK:** Continuing with that same line of questioning, also in regard to all the changes that have occurred within the taxi and ridesharing industry, can you advise how many times camera recordings from taxis have been required or used in the last 12 months?

**CHAIR:** I would think that that would be a question for the police minister.

**Mr Scales:** I was just about to say I am not avoiding the question, but it is something that the police would be requesting of the department.

**CHAIR:** We had a fair bit to do with that as a committee and the camera recordings are used by the police.

**Mr POWELL:** Understood, Mr Chair, but surely that information is also collected by the department.

**CHAIR:** If the department can provide it, but if it is a matter for the police I would not expect you to provide it.

**Mr MOLHOEK:** It is regulated under transport legislation.

**Mr Scales:** Through the chair, we would not necessarily get involved in a police matter. The police would likely go directly to the owner or the driver of the vehicle, but we can certainly, if my minister will allow me, take it on notice.

**Dr MILES:** I am advised we do have that information so we will take it on notice.

**Mr Scales:** For clarity, is that just for the last financial year or the last 12 months?

**Mr POWELL:** The last financial year.

**Mr MOLHOEK:** And perhaps if you could break it down by quarter or month it would be helpful. The other question refers to the Service Delivery Statement page 21 and the income around transport regulation. I am just wondering how many fines have actually been issued for taxis or rideshare drivers since the change of legislation?

**CHAIR:** That is one question. Would you like to answer that first?

**Mr MOLHOEK:** I wanted to be a bit more specific with the detail.

**CHAIR:** Okay.

**Mr MOLHOEK:** Specifically in regard to holding or not holding proper authorisation and also what penalties in respect of illegal pick ups at taxi ranks by rideshare operators? I guess what has been collected in the three months, what is anticipated in the year ahead in terms of the budget?

**CHAIR:** You cannot really anticipate.

**Mr MOLHOEK:** There would be a budget figure in there, I would have thought.

**CHAIR:** I will leave that to you, Director-General, if you feel comfortable with that. I do not think we can be hypothetical.

**Mr MOLHOEK:** It is really how many fines, how much money.

**CHAIR:** How many have been fined?

**Mr MOLHOEK:** Yes.

**Mr Scales:** I think the historical data, I haven't got it, but I can certainly dig that out with my minister's leave, but you want since a particular point of time how many fines have been levied?

**Mr MOLHOEK:** Since the legislation changed, which is about three or four months ago now. You are taking that as a question on notice?

**Mr Scales:** Yes, please.

**Mr MOLHOEK:** The number and value of penalties that have been issued as a result of the legislation in regard to driver authorisations and—

**CHAIR:** The minister may be able to shed on light on this.

**Dr MILES:** I was going to say we report those figures quarterly so it might be that we have to provide them as a quarterly figure.

**Mr MOLHOEK:** Thank you.

**CHAIR:** Member for Dalrymple, do you have a question?



**Mr KNUTH:** Minister, with reference to page 6 of the SDS, particularly the activities of managing and maintaining infrastructure, can the minister please advise what policies are in place that ensure that local labour and input is maximised when undertaking road construction and maintenance in regional areas?

**Dr MILES:** I thank the member for his question. As I outlined earlier, there are a range of programs in place to attempt to deliver as much local employment and local content as is possible and I understand well the concerns of the member for Dalrymple to see that all of these dollars we are spending, these billions of dollars, sees local people employed. It is very important. It is governed by the Queensland Charter for Local Content and the Queensland Government Building and Construction Training Policy. TMR does its best to go over and above those minimum standards. For example, the Accelerated Works Program, that \$144 million program, aims to enhance training and local employment opportunities. TMR engages with local governments to do their routine maintenance programs and that ensures that by and large those local governments employ local people to do that maintenance. There is also a range of Indigenous training and employment projects where there are specific objectives to employ local Indigenous people. There are a series of initiatives that really do aim to ensure that local people are employed to deliver on these capital works projects.

**Mr KNUTH:** Minister, one of the important things about the Accelerated Works Program is that local contracts are provided where possible in those local areas. I think what we are seeing is a bit of a breakdown in communication. When we make representations we work well with the council and the council may get that contract, but there seems to be a breakdown of communication and slipping through the gaps of maintenance work that is delivered by the state government but given to Western Australian companies. Somewhere along the line it has fallen down. Is there a way that you can get the message through the department to prioritise these locals?

**Dr MILES:** I understand how important the issues you are raising are, member for Dalrymple. I might ask the director-general if he could add what we are doing and what we can do to make sure that particularly those contracted out maintenance works can be given to local workers wherever possible.

**Mr Scales:** Thank you, Minister. I thank the member for Dalrymple for the question. If you take the 17 regional roads and transport groups we have, and the minister outlined how TIDS funding is being continued for the forwards, there were 250-odd projects delivered last financial year through that and that was all local solutions to local problems by local people. I outlined in one of my earlier responses what we had done on ring-road 4 in Townsville. If you take, for example, the work we are doing on the Toowoomba Second Range Crossing we are working really hard with Nexus there. There is a 75-kilometre limit on people who can work on that. There are no work camps on that project. People are driving there in a ute or they are staying overnight and contributing to the local economy through fatigue minimisation by staying overnight in Toowoomba. Where we can we do this.

If you take one of the minister's points about what we have done on the Indigenous side, if you take the Cape York Region Package and the work we have done in particular in Hope Vale on the Endeavour Valley Road over the last four years working really closely with council, we are teaching them how to build sealed roads and put culverts in on one of our roads so eventually they will be competent as a council to start bidding for work on our roads. Two of the local Indigenous guys who were working for the council have now actually started up their own businesses. One has bought a grader and one has bought a roller. That is by way of example what we can do. As the minister says, we try to go beyond what is in the rules to try to maximise the local economy.

**CHAIR:** That brings us close to the end of the allocated time. We will run through and clarify these questions on notice.

**Dr MILES:** I have one piece of information that I think might address one of the matters that we committed to take on notice. This is regarding consultation that occurred with industry on the trucks to use the left lane announcement. I am advised that TMR representatives met with the Queensland Trucking Association and RACQ in January, well in advance of that announcement. TMR, Gold Coast Commonwealth Games Corporation and City of Gold Coast representatives met again with QTA on 20 January during the consultation on the Gold Coast 2018 transport operations plan. Representatives presented at the QTA AGM on 11 April, which included high level M1 initiatives. Then in advance of the announcement the deputy director-general telephoned QTA and RACQ in early April to advise them that an announcement would be made.

**Mr Scales:** Can I make one correction? I did mention the Queensland government had released the Future is Electric: Queensland Electric Vehicle Strategy. I want to correct that. That has not been released yet. The point, building on the minister's issue on the consultation we did, is that was done in January and I was elsewhere. That is why I was not able to answer the question.

**Dr MILES:** I have another couple of points of clarification. The first one is that the BMW i3 can use the slow charger at those charging stations. The issue being raised by your correspondent would relate to the super fast charging component. With regard to the question about how somebody could be paid \$90,000 under the taxi industry hardship fund, the maximum payment per taxi licence is \$9,000. The payment is capped at a maximum of 10 licences therefore a payment of \$90,000 would result from a payment to an owner or operator who held 10 or more taxi licences. I am advised there were five payments of \$90,000 made.

**CHAIR:** Thank you. The time allocated for the consideration of the estimates of expenditure in the portfolios of Main Roads, Road Safety and Ports has expired. There are some questions on notice. We have three questions on notice: the number and values of penalties issued to rideshare drivers since the change in legislation; how many times have taxi camera recordings been requested and accessed over the last 12 months broken down, if possible, quarterly; and what electric vehicles by make and model are currently registered in Queensland and in what numbers. As none of those you can answer now, if you could get those answers back to the committee secretariat by 5 pm, 28 July. A transcript of this session of the hearing will be available on the Hansard page of parliament's website within two hours.

**Dr MILES:** Can I make a brief closing statement?

**CHAIR:** You certainly can.

**Dr MILES:** I want to sincerely thank the committee for allowing me to appear before them today. I especially thank the member for Dalrymple, the member for Glass House and the member for Bundamba for their interest. I thank Hansard, the committee secretariat and the Department of Transport and Main Roads who have got me up to speed on this portfolio rather quickly, especially Tam and the team from Minister Bailey's office. It has been a challenging period of time for them, no doubt, and they have soldiered on with a new minister, got me up to speed very quickly and done a fantastic job, so thank you to them.

**CHAIR:** The committee will now adjourn for a break. The hearing will resume at 11.30 am with the examination of the estimates for the portfolio of Energy, Biofuels and Water Supply by the Treasurer and Minister for Trade and Investment as the acting minister. Thank you.

#### **Proceedings suspended from 11.00 am to 11.30 am**



**CHAIR:** The committee will now examine the proposed expenditure in the Appropriation Bill 2017 for the portfolio areas of the Minister for Energy, Biofuels and Water Supply, kindly represented today by the Treasurer and Minister for Trade and Investment. Thank you for coming in today. The committee will examine the portfolio until 1.30 pm and will suspend proceedings for a break from 1.30 to 2.15 pm. The visiting members present are Mrs Jo-Ann Miller, the member for Bundamba; and Mr Michael Hart, the member for Burleigh. I believe that at some stage we will be joined by the member for Dalrymple, Mr Shane Knuth.

I remind those present today that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply in this hearing. I refer to standing orders 112 and 115 in this regard. Questions should be brief and relate to one issue, and they should not contain lengthy or subjective preambles, argument or opinion. I intend to guide the proceedings today so that the relevant issues can be explored fully without imposing artificial time limits and to ensure that there is ample opportunity to address questions from government and non-government members of the committee.

On behalf of the committee I welcome the Treasurer, the director-general, departmental officers and members of the public to the hearing. For the benefit of Hansard, I ask departmental officers to identify themselves the first time they answer a question referred to them by the Treasurer or the director-general. I now declare the proposed expenditure for the portfolio areas of Energy, Biofuels and Water Supply open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Treasurer, if you wish, you may make an opening statement of no more than five minutes.

**Mr PITT:** Thank you, Chair. I will take the opportunity to make an opening statement. Firstly, I acknowledge that we are meeting on the land of Aboriginal people and pay my respects to elders past and present. In this country, we are very fortunate to have two of the world's oldest continuous living cultures in Aboriginal and Torres Strait Islander peoples.

I am appearing here today as Acting Minister for Energy, Biofuels and Water Supply. At the table with me are the Director-General of the Department of Energy and Water Supply, Professor Paul Simshauser; Deputy Director-General Ken Sedgewick; Deputy Director-General Benn Barr; and the chief of staff of my office, Jason Humphreys. We also have chief executives of the relevant government owned corporations present.

I turn first to Energy. The Palaszczuk government has acted decisively to back Queensland's electricity consumers and help the transition to renewable energy. We have stabilised electricity prices for households with an average increase of just 1.9 per cent per year, compared to a whopping 43 per cent during the previous government's term. Our Powering Queensland Plan is a \$1.16 billion commitment that will put downward pressure on wholesale energy costs and deliver new jobs and investment, particularly focused in regional Queensland. The plan includes a \$770 million commitment to remove the cost of the Solar Bonus Scheme from bills for three years, which has halved the impact of the recent Queensland Competition Authority's regional price increase by more than half for residential households and half for typical small businesses. This has sheltered Queenslanders from the double-digit increases of up to 20 per cent in some of the southern states. We have also made it possible for 157,000 extra Queensland families with Commonwealth healthcare cards to apply for electricity concession savings, saving \$330 a year on their energy bills. The Powering Queensland Plan includes \$386 million for the Powering North Queensland Plan to establish a North Queensland clean energy hub, an assessment of the Burdekin hydro project and an examination of the renewable bulk transmission line.

This government has kept our energy assets in public hands and demonstrated the benefits by directing Stanwell to adjust its bidding to maximise outcomes in the energy market. We are also bringing Swanbank E back on line to increase supply and reduce volatility in our Queensland wholesale market. This government has provided certainty to the renewables industry, which has seen an unprecedented level of investment with 17 large-scale projects committed since January 2016.

On Biofuels, we have commenced the mandate requiring liable fuel sellers to sell a minimum amount of biobased petrol, such as E10, and biobased diesel. Queensland motorists and fuel retailers have responded positively and are embracing E10. This trend will boost Queensland's biofuel industry and the jobs that go with it. It is another example of this government supporting new industries and the jobs of the future.

This government is making sure that Queenslanders continue to have access to a safe, reliable and cost-effective water supply to help our communities and our industries thrive. We have published the first Queensland bulk water opportunities statement. It allows us to make better use of available water, while guiding decisions about investment in new bulk water infrastructure. After consecutive failed wet seasons in Townsville, we are acutely aware of the problems North Queenslanders are facing and we have taken action. We have committed \$225 million to implement the findings of the Townsville Water Security Taskforce as part of the Townsville City Deal, which is Australia's first city deal. We are serious about our commitment to all regional communities and a secure water supply will support them and provide confidence for the continued expansion of industries that secure existing jobs and also bring new ones. That same commitment, of course, extends across the Energy and Biofuels areas of the portfolio.

I thank the committee for the opportunity to be present here today and for allowing me to make this opening statement. I look forward to engaging with committee members and answering your questions as thoroughly as possible. I note again that I have a very good group at the front table, as well, of course, as the CEOs of the relevant government owned corporations who will also be very happy to answer your questions. I thank the committee.

**CHAIR:** Thank you, Treasurer. We will go to the member for Burleigh for the first question.

**Mr HART:** Treasurer, we will try to be gentle with you, seeing that you have just arrived back in the country. I ask the CEO of Stanwell to come forward for a few questions. My questions relate to the SDS around the Powering Queensland Plan, at page 2. Mr Van Breda, I refer to the direction to Stanwell to alter its bidding strategies to better reflect the underlying cost of the generation plan. Was this a formal direction under the Government Owned Corporations Act?

**Mr Van Breda:** We received a direction from shareholding ministers and this was under the energy act. That was received early in June.

**Mr HART:** It was a direction under the Government Owned Corporations Act or it was not?

**Mr Van Breda:** It was under the energy act.

**Mr HART:** It was not. If the direction is not a formal direction under that act, is it binding on Stanwell?

**Mr Van Breda:** It is a formal direction under the energy act and it is binding on Stanwell Corporation.

**Mr HART:** But it is not a direction under the corporations act; correct?

**Mr Van Breda:** Not under the GOC Act; it is under the Electricity Act.

**Mr HART:** How does this direction impact on the fiduciary responsibility of the board of directors of Stanwell?

**Mr Van Breda:** Stanwell Corporation competes in the National Electricity Market. It is a very competitive market. Under the corporations act we have an obligation, as officers of the company, to act in the best interests of Stanwell Corporation at all times. Under the GOC Act we are required to act commercially at all times as well. The direction that we received under the Electricity Act requires us to comply with that direction and we will do that as officers of Stanwell Corporation.

**Mr HART:** Has Stanwell sought a community service obligation payment in order to comply with this direction?

**Mr Van Breda:** No, we have not received a CSO obligation.

**Mr HART:** How does that comply with your requirement to perform your commercial interest? My understanding is that if you are not performing, as far as the commercial interest of your corporation goes, you are required to seek a CSO; is that not correct?

**Mr Van Breda:** The reason we received a direction under the Electricity Act is that the direction means we potentially are not operating commercially, and that protects the officers of the company accordingly.

**Mr HART:** But you have not sought a CSO?

**Mr Van Breda:** No, we have not.

**Mr HART:** The corporations act requires you to seek a CSO if you are not performing commercially and you were not performing commercially; is that correct?

**Mr Van Breda:** The direction under the Electricity Act requires that the officers of the company comply with that obligation and that direction, which is what we will do. That is why the direction was issued, because it means that we will not have the same commercial outcomes as if we had not received the direction.

**Mr HART:** Wholesale electricity prices have spiked by 60 per cent in 2016-17. Has Stanwell been using its market power to drive up electricity prices?

**CHAIR:** I think there is a bit of an imputation in that question. Can you rephrase it?

**Mr HART:** I am sorry, but there is no imputation in that question. It is a clear question.

**CHAIR:** I believe there is.

**Mr HART:** In recent days, the chair of the ACCC has said that government owned corporations may well have been gaming the system by altering their bidding practices to push up the price of electricity. Do you agree with that statement from the chair of the ACCC?

**CHAIR:** I am sorry, member for Burleigh, but you are asking for an opinion. Also, you are not allowed to ask them about their business. They run their business as they see fit.

**Mr HART:** I am sorry? I am not allowed to ask about their business?

**CHAIR:** You are allowed to ask questions that will otherwise assist the committee to determine whether public funds are being spent efficiently or appropriate public guarantees are being provided. I ask you to rephrase the question.

**Mr HART:** Mr Van Breda, after you received the direction from the government, we have seen the biggest single-day price drop in wholesale energy contracts in 10 years. Is not that proof that Stanwell has been using its market power to manipulate the market?

**CHAIR:** Once again, I believe you are seeking an opinion, member for Burleigh.

**Mr HART:** I am sorry, Mr Chair, but I am trying to extract from the CEO of Stanwell whether they have been acting in the commercial interests of the people of Queensland.

**CHAIR:** You are seeking an opinion as to whether Stanwell feels that they are impacting on things. That is an opinion. I do not think it is relevant that you ask that.

**Mr MOLHOEK:** Point of order. Surely those practices have a direct impact on the SDS in that there are assumptions made about income and financial recoveries by the state?

**CHAIR:** I do not believe there is a point of order.

**Mr MOLHOEK:** It is relevant to the SDS.

**CHAIR:** Please rephrase the question so that it is not seeking an opinion.

**Mr HART:** This is a multibillion dollar company that is owned by the people of Queensland, via the Queensland government. It has been making extreme profits—

**CHAIR:** You are making a statement. You are making extreme statements.

**Mr HART:** I understand that you want to run a protection racket here, Mr Chair, on behalf of the government.

**CHAIR:** Member for Burleigh, are you reflecting on the chair? I want to clarify that.

**Mr HART:** No, I am not.

**CHAIR:** I ask you to withdraw.

**Mr HART:** I withdraw. Mr Chair, page 152 of Budget Paper No. 2 shows the income that power generators have been achieving as a consequence of high electricity prices. My question simply goes to the fact that after the direction that was made to Stanwell Corporation we saw the biggest fall in wholesale electricity prices in a period of 10 years. Would not that be a clear indication that Stanwell has been taking advantage of the people of Queensland in your pricing?

**CHAIR:** I believe you are asking the CEO of Stanwell to—

**Mr HART:** Mr Chair, you obviously do not want me to ask that question. I will move on.

**CHAIR:** Could you go to something that is more relevant.

**Mr HART:** I refer to the direction to Stanwell to alter its bidding strategies to better reflect the underlying cost of the generation plant. What is the average underlying cost of your generation plant across the portfolio?

**Mr Van Breda:** I am not prepared to answer that question. That is commercial-in-confidence and it goes to our bidding and would provide our competitors with an advantage in terms of our information.

**Mr HART:** I understand that. Has Stanwell's additional debt burden and the government's policy of 100 per cent dividend changed your bidding behaviour in the 2016-17 financial year?

**Mr Van Breda:** Absolutely not. The strategies we have had in place around our bidding behaviour and our bidding models and trading models have been in place for the last five years. Stanwell competes in the national electricity market. The national electricity market is an extremely competitive and highly regulated market. The Australian Energy Regulator reviews and polices all bidding behaviour and high price events.

**Mr HART:** Just to clarify, the added debt that has been put on your corporation has not led you to seek more income?

**Mr Van Breda:** I need to request clarification on that question because our debt has not increased significantly.

**Mr HART:** That would be commercial behaviour, I would think.

**CHAIR:** Can you please allow Mr Van Breda to finish answering. Were you finished answering?

**Mr Van Breda:** Yes.

**Mr HART:** How much is Stanwell spending in relation to the ACCC electricity supply and prices inquiry?

**Mr Van Breda:** As far as I am aware very little.

**Mr HART:** That is not really an answer. Can you take that on notice?

**Mr Van Breda:** I do not believe that we are actually participating in that in terms of the retail review.

**Mr HART:** Very little could be anything. Minister, could you take that on notice and get back to us?

**Mr PITT:** Perhaps the member for Burleigh can clarify with a further question what he is seeking to achieve. I am sure the CEO would be happy to provide a response if he can.

**Mr HART:** I would like to find out if Stanwell is spending any funds in order to respond to the ACCC's electricity and supply price inquiry. It is presently underway. It started in Brisbane the other night.

**Mr PITT:** Is the question related to whether they are participating or are they spending funds because if they are spending funds there would be a number of different things throughout the course of regular business that as a corporation they would spend funds on? Just for clarity, we need to understand what you are asking.

**Mr HART:** If they are participating I imagine it is costing something. I would like to know what that cost is.

**Mr PITT:** I am happy if the CEO wants to answer that.

**Mr Van Breda:** The cost would be insignificant. We have a regulation team and we would be reviewing submissions.

**Mr PITT:** Is there a reference to this in the SDS? I wonder where this is relevant to the budget.

**Mr HART:** As I said right at the start, I am referring to the SDS at page 2, the Powering Queensland Plan. This was your government's response to try to push down the price of wholesale electricity prices. The ACCC is conducting an inquiry at the moment into wholesale electricity prices.

**CHAIR:** Member for Burleigh, I will stop you for a moment. I will give you the opportunity to ask the question again. I want to let you know that your questions have to be relevant to the expenditure of public funds. The Stanwell Corporation is a government owned corporation. It is not spending public funds. They are a government owned corporation.

**Mr HART:** Are you serious?

**CHAIR:** Questions have to relate to whether public funds are being spent efficiently or appropriate public guarantees are being provided.

**Mr HART:** If Stanwell Corporation is 100 per cent government owned surely that is part of the Queensland budget.

**Mr PITT:** It is why there is a differentiation in the budget between the general government sector and the non-financial public sector. I provide that for clarity.

**CHAIR:** If you wish to clarify what I am saying read standing order 180(2).

**Mr HART:** Let us move on. Treasurer, why did your government only direct Stanwell to change its bidding practices and not CS Energy as well, especially given that there were a number of days in 2017 where 20 per cent of CS Energy's bids into the market were above 12½ thousand dollars a megawatt hour?

**Mr PITT:** I will start by providing some context to my response. I refer to the evidence I gave to the Finance and Administration Committee around the issue that you are referring to. It is very important that when we are talking about the bidding behaviour of Stanwell Corporation, CS Energy or any private generation company in the marketplace under the NIM that they are all operating under the same rules.

Stanwell Corporation has a statement of corporate intent. They have to operate commercially. The big difference is what happens to the dividends from the business itself when they are recouped. They come back to the general government sector via dividends, at the end of day. If a business were in private hands we would not be seeing any of those dividends coming back. It has to be an apples and apples comparison, with all people operating under that NIM operating under the same rules.

In terms of why we have directed only Stanwell and not CS Energy, I have already covered the reason we have done everything we can, through our Powering Queensland Plan, to pull all the levers the Queensland government possibly can. There are still things that we need to do. We need to look at the national electricity market in general terms to see how that can favour consumers, including large scale industrial clients, to ensure that we get better outcomes and better competitors and productivity.

The reason we have only done Stanwell Corporation is that it is a larger player in the market. It will have the biggest difference that is possible in terms of helping—

**Mr HART:** Can I seek clarity there? CS Energy owns 35 per cent of the generating in Queensland and Stanwell 30 per cent, is that correct? It is not the biggest player in the market.

**Mr PITT:** It certainly is in terms of the impact on wholesale electricity prices in terms of their customer base. I am a bit confused about the line of questioning this morning. On the one hand it sounds like you are concerned that the direction has been given to Stanwell Corporation. I am not sure

whether that means you do not support lower wholesale electricity prices. What we have seen as a direct result of the direction is wholesale forward contract prices fall by 10 per cent in Queensland and four per cent in New South Wales in the 24 hours following the announcement. It has gone down as far as a 19 per cent reduction. It will fluctuate.

The point is that there has been a clear and direct outcome as a result of the direction by the Queensland government to lower wholesale electricity prices. I am unclear as to whether you support lower wholesale electricity prices or not.

**Mr HART:** What concerns me is that the Queensland government, via its GOCs, has been gaming the system and you have been caught out and now you have had to do something about it. That is what concerns me.

**CHAIR:** I ask you to ask questions and not make statements.

**Mr HART:** The Treasurer asked me a question.

**CHAIR:** Could you please ask a question.

**Mr HART:** I had not finished with the CEO of Stanwell.

**Mr PITT:** I am happy to provide additional information to the member before he moves on. The direction to Stanwell alone was able to have the effect that I have just described because it owns a larger amount of baseload generation capacity which is unencumbered by JVs and other third-party arrangements. There is a very clear reason we have focused on Stanwell and not CS Energy. Clearly that has had a direct and material impact in terms of the wholesale electricity market in terms of future prices. It is a move that has been applauded even by the ACCC's Rod Sims.

**Mr HART:** It had a dramatic effect, no doubt.

**Mr PITT:** Do you support lower wholesale electricity prices or do you not?

**Mr HART:** Absolutely.

**CHAIR:** Treasurer, could you please not question the member for Burleigh.

**Mr HART:** Mr Van Breda, did Stanwell receive a formal direction to restart Swanbank E or was this a decision of the board?

**Mr Van Breda:** Yes, we did receive a direction to restart Swanbank E. That was under the Electricity Act.

**Mr HART:** Can you tell us how much gas has been able to be secured for Swanbank E and what the average price of this gas is?

**Mr Van Breda:** I am not prepared to provide that information as it is commercial in confidence. What I can tell you is that we are very close to securing a supply of gas to bring that unit back on line.

**Mr HART:** Swanbank E is supposed to come back on line in December, is it?

**Mr Van Breda:** 1 January is the official date, but we will be looking at bringing it back earlier.

**Mr HART:** You will have gas before that date?

**Mr Van Breda:** We believe so, yes.

**Mr HART:** Director-General, before deciding to reactivate Stanwell E, did the department model the potential impact on gas prices of additional demand from Stanwell and if not why?

**Prof. Simshauser:** We have not done any modelling on the impact on gas prices. The reason we did not undertake any modelling on gas prices was that in the overall size of what is now a roughly 2,000 petajoule system the requirement for gas coming out of Swanbank would be fairly trivial in the overall scheme of things. We would not expect it to have any material impact on price at all.

Conversely, we had the events of 12 February this year, the record demand day which was on a Sunday. If it were a weekday we would have described it as a POE 10 or probability of exceedence of 10 per cent—in other words, an incredibly hot day. On that particular day demand increased well beyond what we had probably expected.

The other thing that gave us pause for thought at the time was the amount of thermal derating that occurred across a lot of the existing generators because of the conditions. In some respects, when we think about supply and demand and reliability of supply we often overlook how much plant can be derated. That really did get us thinking. We are very fortunate in this state. We have the most reliable supply side in the national electricity market. After the events of that Sunday we could not afford to be complacent.

Returning Swanbank E to service was going to do two things for us we felt. Firstly, introducing 385 megawatts of combined cycle gas turbine plant would have the effect of dampening volatility, on the proviso that adequate fuel supplies are secured—and I have little doubt that that will happen. The gas markets are sufficient for that purpose. The other thing is that it would also provide another 385 megawatts of generating capacity. Quite honestly, on 12 February I would have done anything to have the plant there up and running to give us a little bit more breathing space.

There are really two issues that bringing Swanbank E back to market is trying to solve. One is reliability of supply for the year ahead or next summer, but, secondly, is trying to take care of some of the volatility along the way.

**CHAIR:** We will now move to the member for Lytton.

**Ms PEASE:** I refer to the Powering Queensland Plan discussed on page 3 of the Service Delivery Statement. What actions are being taken by the Palaszczuk government to combat cost-of-living pressures as part of the Powering Queensland Plan?

**Mr PITT:** The \$1.16 billion Powering Queensland Plan is a road map for our government to put downward pressure on electricity prices and to look at power, jobs and investment, leading our state's transition to a low-carbon electricity sector. What we have done is in sharp contrast to what occurred in the previous term of the government. The Newman-Nicholls government inflicted 43 per cent increases in electricity prices on Queenslanders during their term. That was an additional \$436 for the average Queensland household.

On coming to government the Palaszczuk government made its commitment to stabilise costs. They spiralled out of control under the LNP. We have been asked why we did not make a commitment to lower them by a certain amount. We recognise the challenges that we are facing and that is why we have put such a detailed plan into the marketplace. We did this ahead of Professor Finkel's report being handed down to show that we have a plan. We are prepared to roll up our sleeves and act. That is exactly what we believe this plan will do.

We have delivered on our promise of stabilising electricity prices and lowering the expected prices. The average rise under the Palaszczuk government during our term in office has been 1.9 per cent per year. We kept our energy assets in public hands, in government ownership. That is why we are able to direct Ergon and Energex not to appeal the AER's revenue determination in 2015. That had the immediate effect of stabilising network costs.

We know that there has been a very different outcome for those private electricity companies particularly in New South Wales, where they were able to appeal and they were successful. That has had a multibillion dollar impact, and it would have had a multibillion dollar impact in Queensland. The end outcome for consumers has been a positive one from that one intervention.

In terms of the National Electricity Market, I have said on numerous occasions that we have a degree of policy paralysis at the federal level. We do not have a comprehensive plan, particularly one that brings together traditional energy with renewables and how we get that transition to work both in an affordability sense, in getting additional investment in, and in a way that says we are serious about getting good outcomes for consumers, whether they be in a household setting or in a commercial sense.

The Powering Queensland Plan itself has been a very large component of that, including a \$770 million investment which was made to ensure that we are seeing the lowest increase in residential prices across mainland states this year. In Queensland it is going to be 3.3 per cent. That is lower than the expected 7.1 per cent, which is what the QCA was recommending. What we are seeing in other states is anywhere between nearly 10 per cent and 20 per cent in terms of the most recent regulated price recommendations from 1 July. In the case of Victoria I believe that was from 1 January, as I understand it.

You can clearly see where the difference is being made and what our government has tried to achieve. I mentioned in an earlier response to a question from the member for Burleigh that we are doing everything we can as a government that is within our control. What we need now is a mature and responsible debate and the formation of a national energy policy, picking up a lot of the good work that has been handed down by the Chief Scientist, Professor Finkel.

When we look at the increase in supply of gas to the Australian market, we are making more gas available for power generation, as we have heard, by releasing gas tenures subject to the condition that the gas be delivered only to the Australian market. We have had the shorter term result of bringing back online Swanbank E, as we have heard the director-general talk about. We have also delivered actions which provide the policy certainty that is needed to deliver new supply to the market and place further downward pressure on power prices into the future.



We have committed to a 50 per cent renewable energy target by 2030. That is a more ambitious target than what Professor Finkel has asked of the nation at 42 per cent, but it shows that we are not an outlier. It shows that we have a very similar view that that sort of improvement is possible by 2030 if we all work very hard at it. This commitment could drive \$6.7 billion in investment and will increase employment by 6,400 to 6,700 jobs on average per year between 2020 and 2030. There are definitely jobs associated with renewables. That has very clearly been a hallmark of our government as well in terms of job creation. We will facilitate the next wave of up to 400 megawatts of diversified renewable energy through a reverse auction which is going to include up to 100 megawatts of storage and give priority to local jobs and businesses through that process.

Under the Powering North Queensland Plan, as we mentioned in the earlier statement, we have commissioned a feasibility study into the development of strategic transmission infrastructure in the north and north-west of the state to support a renewable energy hub to unlock around 2,000 megawatts of renewable energy projects. These actions are already giving the market confidence to invest in renewable generation. In Queensland we have seen a significant amount—more than \$2 billion worth—of renewables investment coming into Queensland since we have taken office. There was a bit of catch-up being played because there was again a lot of policy uncertainty at the federal level. Our plan is really about supporting the unprecedented boom of renewable energy that we are already seeing in Queensland. As I said, 17 large-scale renewable energy projects have either been committed or commenced under the Palaszczuk government. While the market has an important role to play in delivering on new generation, we are also committed to public ownership of our power generation assets.

Further, we will be investigating the restructure of the government owned corporation companies, as we have announced. There is a lot of debate today about what is happening with the existing gencos in Stanwell and CS Energy. We are taking the initiative to look at whether a third player could enter the market, having a very strong focus on renewable energy and clean energy. That is work that is underway. That may have the benefits of improved competition, even further than what we see in Queensland right now.

I think it is important to say that there is no point in just me telling you this, member. There are other people who have put forward their views. The Energy Users Association of Australia has said that the Powering Queensland Plan is 'providing real benefit and a ray of hope for all energy users'. Since then we have seen the wholesale electricity price continue to fall. As at 25 July, it has fallen by 15 per cent. The material impact of our decision to direct Stanwell Corporation has had that outcome.

We talk about comparisons in wholesale price increases. Under the LNP we saw an 80 per cent increase—the largest increase in the NEM and significantly above the 11 per cent to 30 per cent increase experienced by other states at the time. Actions taken by our government have delivered the lowest average wholesale price in every month since March. This is a significant achievement delivering real results which is going to be helping homes, helping businesses and helping large industrial customers.

**Ms PEASE:** The objectives of the Powering Queensland Plan, as you outlined, on page 3 of the Service Delivery Statements include delivering affordable energy. Could you describe actions that are being taken to deliver electricity price relief to low-income households, because that is very important in my electorate?

**Mr PITT:** Absolutely. Our government takes pride in ensuring we can provide concessions to vulnerable Queenslanders. It is a very important thing. We know that there is strain when it comes to electricity pricing and other household challenges. Our government is investing a record \$216.2 million for 2017-18. That is about supporting vulnerable energy consumers through a suite of measures, making concessions and other support available to a broader range of households and increasing the level of rebate in line with the increasing power prices themselves.

We have the electricity rebate scheme, which provides up to \$341 per year to assist eligible customers, whether they be Pensioner Concession Card holders, Seniors Card holders or Veterans' Affairs Gold Card holders. In the 2016-17 midyear review that I handed down in December last year, I announced that we would extend the rebate to Commonwealth Health Care Card holders and also asylum seekers from 1 January this year. They now have until 31 December to apply for a backdated rebate. That package includes the investment of \$173 million over four years. That is about providing immediate price relief to vulnerable customers and extending that relief to around 157,000 extra Queensland households.

The budget also includes \$10 million to continue the Home Energy Emergency Assistance Scheme, which provides emergency assistance to low-income households who are unable to pay their electricity bills as a result of a short-term financial crisis. We know that power disconnections happen and we know that where that can be avoided it saves a lot of time, effort and stress for those families involved. We have improved access to the scheme. We have streamlined the application process. This has resulted in 36 per cent more people being able to access the short-term help that they need to get through that crisis situation. That is without the additional stress of unpaid bills.

In addition, our government has partnered with QCOSS to deliver the Switched on Communities program, which helps communities take control of their energy expenses through programs, again, focusing on vulnerable energy consumers. That is about as much education as possible. It is about energy literacy and understanding the tools that are available to shop around, to negotiate to get a better deal so that they can make sure they have the lowest electricity prices possible. All of these measures are in addition to the actions taken under the Powering Queensland Plan.

I make the point in finishing answering your question that we have never had these sorts of rebates or concessions put in as an afterthought. Very famously, the former treasurer, now opposition leader, failed to do that for seniors in Queensland before coming back to the parliament a couple of days later and saying that it was meant to be there all along. We have not done that because we believe that people deserve to know up-front what is happening. That is exactly why we have acted the way we have through the Powering Queensland Plan and our concessions framework.

**CHAIR:** Page 141 of Budget Paper No. 2 indicates that energy demand increased significantly during last year's hotter than usual summer. Can the minister please advise how Queensland's power system responded to the recent heatwaves and how it has performed since, compared with other states across the National Energy Market?

**Mr PITT:** I do not need to tell anyone on the committee that Queensland is a powerhouse and could be the powerhouse for the nation. I think it is important to keep coming back to the fact that we will always, as the government of Queensland, act in the best interests of Queenslanders, but we want to play our role in the national interest as well. That is why this discussion around the NEM and trying to contemporise that is so important.

In responding to your question, the hotter than usual summer did have a significant impact. While Queenslanders were sweating through very hot conditions over the summer, our power system rose to the challenge. As we heard from the director-general in response to an earlier question, we outperformed all of the other states in terms of the National Energy Market. On Sunday, 12 February 2017 at 5 pm we reached a new demand record for electricity consumption in Queensland of 9,369 megawatts. This was a significant event, given that weekends typically have lower demand than weekdays as a result of less commercial industrial load, and we broke the previous record set only the month before on 18 January 2017. However, even when Queensland hit the maximum demand level, Queensland still had 548 megawatts in reserve capacity. New South Wales was supporting Victoria. We then supported New South Wales and we were still able to ensure we had capacity. That goes to the heart of why we are such an important player in the national market but, more importantly, can play a role in terms of leading energy policy. That is why we want to very clearly have those good outcomes.

We had at times about one gigawatt of power pouring through the interconnectors to New South Wales homes. We saved them from significant load shedding, which I know they would have been looking at. It is important to note that when that happens the profits that the member for Burleigh referred to earlier, or the ability to get money into corporations such as Stanwell, are coming from New South Wales customers and not Queensland.

**Mr HART:** The people of Queensland pay as well.

**Mr PITT:** The point is that we are making sure that we are exporting our energy south and getting good outcomes as a result of that.

Powerlink and Energy Queensland worked around the clock to ensure that our system met this challenge. I want to say thank you to those very hardworking men and women who are really helping us to keep the lights on, which is very important. It is also important to look at what has happened with wholesale prices in Queensland compared to other jurisdictions. We have seen some outcomes which show that wholesale prices from 1 March to 24 July have Queensland at the lowest—

**CHAIR:** Minister—

**Mr PITT:** I intend on tabling this document, Chair.

**CHAIR:** Do you seek leave?

**Mr PITT:** I seek leave to table that document.

**CHAIR:** Is there a copy for us?

**Mr PITT:** I will pass it up.

**Mr HART:** What happened in January?

**Mr PITT:** I am glad the member asked what happened before. We can go back to what happened under the last term of government. Just to be very clear about wholesale electricity prices—

**Mr MOLHOEK:** I raise a point of order.

**CHAIR:** Hang on. The minister has sought leave to table this. Is leave granted?

**Mr MOLHOEK:** Can we have a look at it?

**Mr PITT:** So you do not want me to table a factual document showing the impact on wholesale electricity prices—

**CHAIR:** Is leave granted?

**Mr MOLHOEK:** I should pass it to the other members before we agree.

**Mr PITT:** I am happy if you wish to take time to debate whether the facts are actually the facts.

**CHAIR:** Is leave granted?

**Mr COSTIGAN:** There is no source.

**Mr MOLHOEK:** I am not comfortable—

**CHAIR:** Is leave granted? Yes or no?

**Mr MOLHOEK:** No.

**CHAIR:** Sorry, Minister, we will not be able to table that.

**Mr MOLHOEK:** It is not verified. There is no source for the data.

**Mr COSTIGAN:** There is no source, Mr Chairman.

**Mr PITT:** We will be able to provide that. I will table it out of session just for the member for Whitsunday.

**Mr COSTIGAN:** I am not speaking alone.

**CHAIR:** Member for Whitsunday, we are not here to debate it.

**Mr PITT:** The source is very clear, though. The source is the Department of Energy and Water Supply.

**CHAIR:** Treasurer, could you please continue to answer the question?

**Mr PITT:** I am happy to answer it. For the benefit of the member for Burleigh, who did ask what happened before—

**Mr HART:** What happened in January, Minister?

**Mr MOLHOEK:** The question was about January.

**CHAIR:** It was our question, not your question—if the Treasurer could continue to answer.

**Mr MOLHOEK:** It was the member for Burleigh's question.

**CHAIR:** He interjected.

**Mr PITT:** The member does not want to hear about the history of how wholesale electricity prices have been evolving over the last two terms of government. I think it is an important point to be made. We have heard all sorts of claims being made about the significant 77 per cent price rise to wholesale electricity. Yes, that is a significant rise, except when you compare that with what has happened in other jurisdictions. At the same time as we have seen a 77 per cent rise between 2014-15 and 2016-17, we have seen in New South Wales a rise of 131 per cent; in South Australia, 177 per cent—

**Mr HART:** Seriously, 77 per cent—

**CHAIR:** Member, please stop interjecting.

**Mr PITT:**—103 per cent compared to Tasmania and 119 per cent in Victoria. That is what is happening—

**Mr HART:** You think 77 per cent is good?

**CHAIR:** You will have an opportunity to ask questions.

**Mr PITT:** And I look forward to him asking those questions, Mr Chair. In terms of wholesale electricity prices between and 2011-12 and 2014-15, over the period of the previous government, we saw Queensland with the highest wholesale electricity price increase at 81 per cent. That is certainly higher than 77 for a start, but to compare how the other states were operating at the same time there was a 19 per cent rise in New South Wales, a 30 per cent rise in South Australia, a 14 per cent rise in Tasmania—

**Mr HART:** Seventy-seven per cent is not good.

**Mr PITT:** I never used the word 'good'. I think he is verballing me, Mr Chair. I would like to continue to answer the question.

**CHAIR:** I ask the member for Burleigh to wait until it is his opportunity to ask questions.

**Mr PITT:** In Victoria it was an 11 per cent rise. Based on the response previously, these have also been prepared by the Department of Energy and Water Supply. It shows very clearly what those price rises look like over that period. This one will also reference the Australian Energy Market Operator as the source, if you require an additional source besides the Department of Energy and Water Supply. I seek leave to table that. If the department is not a good enough source for you, member for Whitsunday, this one has a direct source.

**Mr COSTIGAN:** Thank you, Acting Minister—very good on this occasion.

**CHAIR:** Leave is granted.

**Mr PITT:** I am happy to move to the next question.

**Mrs MILLER:** Minister, I am happy for you to take this on notice. What are the fees for electricity disconnections of households in Queensland?

**Mr PITT:** I am happy to ask the director-general to provide some commentary and he may be able to answer that in general terms, but if there is any further information you seek we would be happy to take it on notice.

**Mrs MILLER:** There is nothing on the web pages about what the actual fees are, and I am looking for the actual fees.

**Prof. Simshauser:** Can we take that on notice? We will definitely be able to get you an answer but I know I do not have it here.

**Mrs MILLER:** Yes please, because I think consumers need to know. I have a follow-up question. Has the government done any independent assessment of the impact on energy costs to downstream industrial customers as a result of the potential closure of the New Acland coalmine in Queensland, or will you be doing that?

**Mr PITT:** I am not aware if any analysis has been done, but I will ask the director-general to provide a response to you.

**Prof. Simshauser:** Thanks for the question. I am not aware of any specific modelling done on the closure of the New Acland mine and its impact on downstream users. We have not done the work.

**Mrs MILLER:** Will you please consider doing that? There is a major hospital in Brisbane that uses New Acland coal and its energy costs are going to go through the roof if that mine shuts.

**Prof. Simshauser:** If you do not mind, I will take that on notice and work out what we can do.

**Mrs MILLER:** Thank you.

**Mr HART:** I seek leave to table secret correspondence between former ETU head Peter Simpson and disgraced former energy minister Mark Bailey.

**CHAIR:** I think there is an imputation there and it is quite argumentative as well.

**Mr HART:** What would you call him if he is not disgraced?

**CHAIR:** I think that is quite offensive and I think you need to rephrase that question.

**Mr HART:** Mr Chair, in terms of an SDS reference—before you ask me that question—Energy Queensland is a part of the minister's responsibility, and directly the minister appoints directors to the Energy Super board. CS Energy, Stanwell and Powerlink also have the power to appoint the chair. These emails go directly to that and I would like to question the director-general about these emails.

**CHAIR:** First of all, leave is not granted to table the document.

**Mr HART:** Did we have a vote on that?

**CHAIR:** We voted against it.

**Mr HART:** You voted against it? Okay.

**CHAIR:** Leave is not granted. Can you re-ask the question you are trying to get to the bottom of?

**Mr HART:** Director-General, as leave was not granted, I am sure you are aware of the emails that I refer to.

**CHAIR:** This is a superannuation board that he is talking about.

**Mr HART:** Did former Minister Bailey, who unfortunately is not here to answer the question because he is suspended for corruption—

**CHAIR:** It is under investigation at the moment too.

**Mr PITT:** It is also not parliamentary practice to refer to members' absences.

**Mr HART:** That is why you are here, Treasurer, because he is not here.

**CHAIR:** Can you please stop? I want to see where you are going with this line of questioning. There is an ongoing investigation and I would urge you to be very careful—

**Mr HART:** My question to the director-general is: did former Minister Bailey disclosed the proposed merger of Equip Super and Energy Super with you?

**Prof. Simshauser:** No, at no point.

**Mr HART:** No comment was that?

**Prof. Simshauser:** No, at no point. It was never discussed. It is not something the department has ever been involved in.

**Mr HART:** Director-General, have you ever conversed with former Minister Bailey on his private email account?

**Prof. Simshauser:** It is a matter of public record that there was an email received by me, but, as you would be aware, the matter is currently being investigated by the State Archivist. In order to protect the integrity of that investigation, I am not really in a position to speak further. The CCC have indicated the matter is being investigated by way of a public interest review, pursuant to the sections of the Crime and Misconduct Act. It is not possible for me to comment.

**CHAIR:** I am going to rule that question out of order. Be very careful where you go with your questioning. We do not want to influence the outcome of the investigation.

**Mr HART:** Director-General, are you aware of any other person in your department corresponding with the minister on a private email address?

**CHAIR:** Once again, I rule that question out of order.

**Mr HART:** Director-General, I refer to the Powering Queensland Plan featured on page 2 of the SDS. What formal protection is in place to ensure that retailers in South-East Queensland do not charge householders and businesses for the Solar Bonus Scheme feed-in tariff over the next three years?

**Prof. Simshauser:** Thanks very much for the question. One of the things that the department did, and we routinely do this prior to 1 July each year, is make contact with all the large retailers and in time the second-tier players. We wrote to all the SEQ retailers and outlined our clear expectation that they pass on all those network savings in full.

We did undertake a before-and-after analysis, and that was for Origin, AGL and EnergyAustralia which comprise about 90 per cent of the market. In the process we were able to confirm that they had passed those network savings on in full. We are working our way through the second-tier retailers which account for the remaining 10 per cent of customers in the marketplace. So far four of those—which is half of that 10 per cent—have identified with higher than expected increases. We have sought that clarification and with those large retailers we were able to do a before-and-after analysis.

**Mr HART:** There is no formal protection in place? You have just written to them?

**Prof. Simshauser:** No, there is no formal protection in place beyond us receiving their prices before the policy was announced. We have seen their price increases after the policy was announced. We received letters from the CEO saying that they would pass those savings on in full. Once those standing offers are announced, they are set for the year so to speak. They cannot go back and change those after the fact, so we were able to convince ourselves that that was being passed on.

**Mr HART:** Director-General, what happens to electricity prices after three years when the \$770 million subsidy runs out? Do they spike because of the solar feed-in tariffs?

**Prof. Simshauser:** It is a good question and it is very hard for me to answer that definitively because what makes up the retail price is a layering of cost blocks. At the starting point you have the generation costs, the wholesale market costs, you have transmission and distribution network charges and transmission distribution network losses. There are renewable certificates and then retailer costs, margins and goods and services tax. Amongst all of those they do wax and wane at different points in time.

In three years time the way the forward curve is trending at the moment—it is currently at about \$75 a megawatt hour for the 2018 calendar year—one of the benefits out of the Powering Queensland Plan and the way it was orchestrated in terms of the layering of initiatives, the initial direction, the refiring of Swanbank E and the review of the structures is that the market has interpreted that as being downward pressure on prices out through the forward curve. When you get to the final year of the futures exchange, which is 2020, prices are currently looking like about \$62. If the wholesale prices drop sufficiently enough, it may well be sufficient to offset that cliff edge, but I understand the intent of the question. Absent nothing, then it would increase again.

**Mr HART:** I would like to explore that a bit further. I seek leave to table an email that was sent out to Dodo customers last night. I have a number of copies there.

**CHAIR:** Can we see it please? Ask your question while we review it.

**Mr HART:** Could we pass a copy to the minister please? Minister, I draw your attention to the second sentence.

**CHAIR:** It does not have any personal information on it. Leave is granted.

**Mr PITT:** Is your question to me?

**Mr HART:** Yes, it is. It is the second line, Minister. You will see that the email advises that Dodo will alter its customer's electricity instalments to \$176 a week starting on 6 September 2017. That is effectively \$9,152 a year. I can advise the minister that the customer's usual electricity bill is about \$600 a quarter, so \$2½ thousand a year.

**CHAIR:** Do you have documentation for that as well?

**Mr HART:** Yes, I do. I can table that as well.

**CHAIR:** I will let you keep going then.

**Mr HART:** Minister, clearly Dodo is expecting huge increases in electricity bills later this year. Are they wrong?

**Mr PITT:** I am happy to try to respond, Mr Chair—

**CHAIR:** There is a bit of a hypothetical in there.

**Mr PITT:** That is what my point was going to be. You are asking us to talk about a hypothetical which is—

**Mr HART:** Maybe I can clarify for you, Minister, that retailers have to buy their electricity on the futures energy market. That is how they set their retail prices in the future. They have maybe bought their electricity in advance or they are expecting higher prices and they are setting those figures in place for people who have instalments.

**Mr PITT:** In responding to your question, I think it is important to note that often when we talk about expected price rises—whether they be through the QCA's determination or what may happen in terms of the futures market—particularly when it comes to households or individual customers, those individual customers' outcomes will have a range of different outputs too. Without seeing in its entirety the full story, it is very hard to ascertain exactly what the impact is. When you talk about businesses being about 30-megawatt hour per year customers versus households at six megawatt hours, there is a very wide range there.

In terms of the response before by the director-general, can I make the point that all the retailers have been written to. We have been talking to them about what we have done and our expectations that they pass on. If there are circumstances—Minister Bailey has been clear about this in his role—where retailers are not passing on savings, we will make those retailers publicly known. We have been very clear that this is about ensuring that people should shop around. It is why in answer to an earlier question I talked about ensuring people have the tools and the literacy around energy and the way that the market operates to try to make those decisions to get the best deal.

If you can provide specific details, we can provide you with a specific response to the question. I understand the reason you are not identifying the customer, and for privacy reasons that is appropriate. If there is a deidentified scenario, we could provide some kind of response to you.

**Mr HART:** I am happy to provide that offline later. Minister, this is a 400 per cent increase in somebody's expected electricity bill. The instalments relate to a 400 per cent increase. Are you happy with that?

**Mr PITT:** You are asking if I am happy or not about a—

**Mr HART:** What action will you take to rectify that?

**Mr PITT:** Again, you are giving me a hypothetical circumstance with no detail about the individual business concerned—

**Mr HART:** No, it is not.

**Mr PITT:** To the point, I have to take at face value that what you are presenting is correct. We do not know that. We do not know what the source is. We do not know the individual customer's circumstance. We really would need to know that for me to provide you with any kind of an adequate response.

**Mr HART:** Minister, I am advised that the customer contacted Dodo this morning to question if this was correct—because I thought it was not correct to start with—and was told that the email was sent to all customers and if they did not respond that payment was locked in. That payment was taken out of their—

**Mr PITT:** I do ask, though, what the reference is to the Appropriation Bill and the agency's use of—

**CHAIR:** Member, you are asking about a retailer that is nothing to do with—

**Mr HART:** This is about your Powering Queensland Plan, which is supposed to put downward pressure—

**CHAIR:** No, it is not. I am sorry, member for Burleigh. It is not about the Powering Queensland Plan; it is about a retailer. The Treasurer has answered your question but I will let him go if he thinks there is any relevance.

**Mr HART:** Chair, with all due respect, the director-general was talking about the flow-on effect of this to other retailers and that the government had checked and this was flowing through to other retailers. The Powering Queensland Plan was flowing through.

**CHAIR:** This is not about the expenditure that we are here today to be questioning. This is about a retailer.

**Mr PITT:** Chair, I have already provided the member with a response which says that we are happy to take a look at this particular circumstance. I do not think I can be any more generous than that in terms of what we can offer the member today. Can I just make a point that if there are those sorts of changes it would need to be with the explicit consent of the customer. Again, that is something we are happy to look at but the member needs to provide a lot more information so we can give you a reasonable response to your question.

**Mr HART:** I will provide that to you offline after this—

**Mr PITT:** Okay, but if your next question relates to asking for an opinion or a response to this, again, I will provide you with the same answer. I am not going to deal in hypotheticals and certainly not knowing whether all of the information has been provided to us today.

**Mr HART:** Minister, I am going to move on but this is not a hypothetical; this is an email that was sent to all Dodo customers.

**Mr PITT:** I am not suggesting that the email was hypothetical. Clearly it is real; you have tabled it.

**CHAIR:** Member for Burleigh, I believe your real concern there, but this is not about the appropriations and what we are doing today. I will rule any further questions on that line out of order. Do you have another line of questioning?

**Mr HART:** Chair, I will move on from that particular subject. I refer to page 3 of the SDS that in 2017-18 the department will implement the government's response to the Renewable Energy Expert Panel on a 50 per cent renewable energy target. Director-General, did the independent expert panel for renewable energy assume a carbon tax or similar carbon tax proxy in its modelling?

**Mr Simshauser:** Thanks very much for the question. There was no explicit assumption on a carbon tax. If you do not mind, I will pass this one to my deputy director-general to speak to; he is across the detail.

**Mr Barr:** The expert panel assumed the federal government would take modest national action to meet Australia's 2030 emissions reduction target, consistent with advice from experts including Dr Alan Finkel. Dr Finkel has recommended a cleaner energy target for that reason. The Clean Energy Target is a mechanism to get that.

**Mr HART:** If you refer to the expert panel's report on page 68, it clearly shows a carbon tax on a couple of the directions that the expert panel says you can take. Then page 84 I think it is, the other one, points out almost a \$50 a tonne carbon tax. It is safe to assume, then, that the expert panel's report and the reason they have decided that electricity prices might stay broadly neutral—whatever 'broadly neutral' means—contains a carbon tax. Would that be right?

**Mr Barr:** I think it says proxy carbon emissions reduction cost. That is the wording the panel used.

**Mr HART:** CO<sub>2</sub> per tonne, okay. What do you think this assumed carbon tax would cost an average family?

**Mr Barr:** I think the modelling that the expert panel released, consistent with the Finkel modelling, shows it is broadly cost neutral, the 50 per cent target.

**Mr HART:** That is how they got to the assumption of broadly neutral—by assuming there would be a carbon tax?

**Mr Barr:** No, that is not what I said.

**Mr HART:** That is what it says.

**CHAIR:** You are trying to lead the deputy director-general there, I believe, member for Burleigh. Could you ask him a question?

**Mr HART:** That is what the renewable energy panel said. It is in their report. Director-General, the Powering Queensland Plan has a \$386 million Powering North Queensland Plan as part of it. That leads to the government's implementation of a 50 per cent renewable target; it helps along that particular way. Those funds will then need to be referred to the AER and a decision made out of that. Can you tell us what sort of impact that might have on transmission and network costs on a normal household electricity bill?

**Mr Simshauser:** Thanks for the question. A big part of the investigations around the North Queensland plan is looking carefully at shared network infrastructure. Some of the options are from Townsville sweeping down through to Hughenden and then heading north, and there are other potential routes as well. The idea of that coordinated project is that transmission companies are unable to coordinate with all the various power project proponents who are wanting to connect into the grid. Competitors generally do not talk to each other about projects and getting them over the line for all the very obvious reasons—they do not want to let any cats out of the bag and so on. There is this potential for a market failure where you could quite literally get three project proponents all committing to projects and individually lining up a transmission line, rather than having a degree of coordination and sweeping the one line through, having one slightly bigger line than three smaller lines. That is the intent of the policy.

At this time, we have not completed the works to actually understand, first of all, the optimal route the transmission infrastructure would take, its sizing, its cost and so on. That work is currently underway. A big part of that is also how it would be paid, and there are a couple of different options for that. There may be some component that would suitably rest inside the regulated asset base of Powerlink, but if it was it would be a component of it, I suspect. The balance would need to be paid for by project proponents connecting in, in which case that would be on the generators connecting in. Unfortunately, I cannot really give you an answer to the question. I understand exactly where you are coming from, but it is just impossible for me to provide a definitive answer at this early point in time.

**Mr HART:** Wouldn't the \$386 million additional expenditure just flow straight through to the AER and come out the other side as an increase over a five-year period?

**Mr Simshauser:** Not necessarily. There are a large number of transmission and distribution network assets, not so much in dollar terms but in quantum, that are actually paid for by project proponents. By way of simple example, in one of my former lives with a gas-fired power station, the power station itself was responsible for the substation and the Tee into it. That did not go into the asset



base of Powerlink; it actually was a Powerlink asset but I guess you would call it an unregulated asset where the generator actually funded it. That is the difficulty with this particular transmission line. It is very hard to know what may be unregulated versus a regulated asset. We are not far enough through the investigations to be able to give an answer, unfortunately.

**CHAIR:** Minister, in reference to staffing on page 14 of the SDS, could you please update the committee on the number of apprentices that have been put on by Queensland's government owned corporations?

**Mr PITT:** I thank the member for that question. When we talk about apprentices, we have a very good track record as a government about what we have achieved in the past and also what we are hoping to achieve in the future. Just diverting for one moment, it is one of the reasons we have put in place the payroll tax rebate we have across the state which is supporting people hiring apprentices and trainees with a 150 per cent rebate on their payroll tax liability. It is also why we have gone into the WorkCover space, offering free WorkCover, essentially, for those businesses that will hire apprentices. It is something that is near and dear to my heart as well, and it is exactly why we have put a very strong focus on our government owned corporations and seeing a return to obviously the environment where we are seeing jobs being created and the supporting of training and skills development.

Apprentices play a very important role in that. The apprenticeship programs of Queensland's GOCs, both in energy and water, are demonstrating their commitment to training the workforce of tomorrow as well as retaining those front-line staff needed now as well as those in the future to deliver a safe, reliable and affordable electricity and water balance to customers. The apprentices who are engaged by the government owned corporations through these entities require a range of skills in each of these businesses. They are giving these workers the training and education they need to perform at a high level. These are highly skilled jobs and it is important that that is recognised.

The number of apprentices employed each year under the apprenticeship program varies depending on the skill sets required. As you can appreciate, it is not easy to just continue a rolling program of a certain skill set given the needs of the businesses must come into play. It is going to vary also in terms of new intakes of apprentices as well as those graduates leaving the program.

I can inform the member that Energy Queensland is by far the largest GOC employer of apprentices. It employs apprentices as distribution line persons, fitters and turners, communications technicians, electrotechnology electricians, transmission line persons, systems electricians, boilermakers and sheet metal workers. As at 30 June this year, the number of apprentices employed by the GOCs was as follows: CS Energy, 28; Energy Queensland, 432; Powerlink, 19; Stanwell, 30; Seqwater, five; and SunWater, two. The Mount Isa Water Board has zero, but it should be noted that the Mount Isa Water Board does not engage apprentices due to the fact that Mount Isa Mines acts as its operations and maintenance contractor. Clearly there is an important link there with what is happening at the mine. In terms of the Gladstone Area Water Board, the answer is three. This brings the total number of apprentices employed by government owned corporations to the end of 30 June this year to 519.

I want to make a point about the experience in other states. I saw evidence of this in Victoria, particularly in the energy space, when those privatisations occurred and the growth in apprentices in Victoria was zero for quite some period. That obviously goes to the businesses themselves and the way they were operating and they did not see that as being a priority. That is one of the additional benefits of having government owned corporations and having a clear focus on providing the skill set that is required in these businesses. We are very proud of the fact that our government owned businesses, which ultimately are owned by the people of Queensland, were supporting nearly 520 apprentices as at 30 June this year.

**CHAIR:** As someone who did an apprenticeship in a government owned corporation—

**Mr PITT:** What was your apprenticeship again, Chair?

**CHAIR:** I was an electrical fitter mechanic—a long time ago. I refer to the government's commitment to ensure the safe management of state owned assets. Can the minister update the committee on Ergon Energy's radio communication safety upgrade capital works program?

**Mr PITT:** As you would be aware, Ergon relies very heavily on the wireless communication network, especially in responding to natural disasters and also for remote communication to field assets. The reliance on wireless communication in the field for our work was once again seen in the massive operational response to the catastrophic effects of Severe Tropical Cyclone Debbie. I do not have the right words to put on record my admiration for the work that was done. In fact, the reconnections that occurred in the time that they occurred was really something to behold.

The P25 network is the communications network used for field crews for communication between them and operational control centres and they are required for control and safety switching. Safety features incorporated into the network include the GPS location, vehicle rollover detection and mobility of communications away from the vehicles. Of course this communication is critical. That is why we have committed \$16.3 million for Ergon's radio communications safety upgrade in the Capital Works Program, which means Ergon's disaster response capability will be enhanced with a rollout of an additional 31 radio base stations, mostly throughout Central Queensland. Ergon currently operates 82 digital radio base station sites. Once again, when the remaining component of this project is complete in 2018 we are going to see the total number increase to 110 sites, so that is a really good expansion.

In 2016-17 work began at 11 sites, with three of those sites now fully operational. In the 2017-18 budget we have committed a further \$9.9 million as part of Energy Queensland's capital program of \$1.4 billion. Again, this is about delivering safe and secure electricity supply and investments that benefit all Queensland customers. For 2017-18 Ergon is going to be able to complete the work at the eight sites already started and commence work at a further 20 sites. A further investment of \$7.3 million in 2018-19 will conclude the program at the completion of those 20 sites. The establishment of these sites is going to improve Ergon's disaster response and also have the benefit for everyday general communication and coordination of crews working in the field.

In terms of obsolete radio systems in the inner south-west, which have the high risk of northern cyclone areas, selective sites in Central Queensland and Wide Bay have been successfully replaced. Sites to be developed over the next two years include Mount Perry, which is near Gin Gin. To cover Mount Perry are Wonbah, Mungy, Yenda, Mingo, Branch Creek and Good Night; to cover Crocker's peak are Comet and Blackwater; and to cover Mount Fort William are Kalpower, Mungungo, Bancroft and Dalga—and the list goes on and on. We are really pleased that this is available. All of those things come back to efficiency, getting faster response times and providing that safety, particularly in relation to the vehicle rollovers; I cannot stress it enough. I think it is very important. We have seen a lot of work go into ensuring that we have the safest workplaces. Ergon's motto is 'always safe' and they have one of the best safety records you will see. They, along with the other GOCs, are priding themselves on providing a safe workplace. That obviously helps those individual staff members in the organisations. It also allows them to get on with their job, which is all about supporting Queenslanders.

**CHAIR:** I will now call the CEO of Stanwell Corporation, but I will ask the minister the question first.

**Mr PITT:** Do you have a question for me or Richard Van Breda?

**CHAIR:** Sorry, I will ask the CEO. I refer to page 45 of Budget Paper No. 3 and the government commitment to deliver cost-effective, safe, secure and reliable energy. Can you advise the committee whether the security procedures in place at your power stations are keeping pace with emerging technologies, in particular the increasing availability of drones, and whether there have been any recent incidents of concern? The minister might like to add something after Mr Van Breda.

**Mr Van Breda:** All of Stanwell Corporation's power station sites are considered critical infrastructure, given their importance in providing security of electricity supply to the state and to Australia. As a result we treat any unauthorised activity around our sites very seriously and we have comprehensive and very strict procedures in place covering security, communication and escalation of issues. We do take it very seriously. All of our power stations have perimeter fencing and we have security in place and an escalation process to deal with any security issues.

With regard to your question as to whether we have had any recent events, yes, in mid-July we did have an event at one of our power stations. We did observe a member of the public flying a drone in the vicinity of Stanwell power station taking photographs and footage of that site. Permission had not been sought for that activity and had not been granted. In accordance with our standard procedures, we confronted the person and requested that they stop that activity immediately. Also in accordance with our standard processes, we advised ASIO. The matter was reported to local police and also the Civil Aviation Safety Authority. As a result of that event, we believe that CASA will be conducting further investigations into the drone activity.

**CHAIR:** Minister, do you have anything to add?

**Mr PITT:** I think given the ongoing investigation I will try to limit my remarks. I will just say that I certainly commend Stanwell Corporation for acting the way they have in accordance with their policy. The point made by the CEO is a good one and that is that these are critical pieces of infrastructure and there is a very good reason why we have all of the regulation in place to ensure that people require

permission to approach, to be on premises and to be around such important pieces. Obviously it remains to be seen what the outcome of the investigation looks like. In my view the CEO and Stanwell Corporation have acted appropriately in response to the incident that occurred.

**CHAIR:** It is also concerning because of the electrical clearances. These things can create quite a bit of havoc. I now ask a question following on from when we were talking about Ergon Energy's radio communication safety upgrade. Will you please outline how Energy Queensland is assisting the Tully coastguard?

**Mr PITT:** In terms of the five electricity poles, a solar array and a hut at Mount Mackay telecommunications site, Energy Queensland owns these facilities. These facilities are used by a number of third parties for telecommunication purposes, including the Tully coastguard, which I know the member for Hinchinbrook would certainly be very keen to know all about. Of course, given the recent electoral boundary changes, a lot of other people will also be quite interested. Unfortunately, previous and consecutive cyclones up to 2015 have damaged the facilities at Mount Mackay. While temporary measures have been put in place to keep the facilities operational and to meet workplace health and safety requirements, we certainly think a more permanent fix is required.

To fully rebuild the Mount Mackay site it is expected to cost in excess of \$2½ million. I can inform the committee today that Ergon Energy will provide the support for the Tully coastguard through a three-year partnership which will secure their continued use of these vital telecommunication facilities at Mount Mackay. I understand the former energy minister met with members of the Tully coastguard last month. That is when we had the resolution of this. It is certainly a good decision and one that I had some knowledge of, being a local member from Far North Queensland. It was good to get feedback that that is the outcome.

As part of the local community partnership, Energy Queensland will waive the ongoing annual licence fee of \$10,765 for the Tully coastguard over the next three years. This is part of the telecommunication facility access agreement for Mount Mackay. This is a wonderful outcome for the community. I know that the coastguard and the boaties that frequent the Cassowary Coast will be very pleased to know that that will be in place to have that ongoing support. I again commend Energy Queensland for what they have done.

We know that the radio communication equipment of the Tully coastguard provides coverage of a distress calling frequency for the site to assist volunteer coastguards, which rescues vehicles in distress in the Tully area. It is a good outcome and one that came about as a direct result of the former minister speaking to local residents during our period up in Far North Queensland.

**CHAIR:** I refer to the department's objective of ensuring fair, safe, affordable and reliable services. Treasurer, would you please update the committee on the \$7.8 million investment through Powerlink Queensland to replace electricity transmission towers damaged during Tropical Cyclone Debbie?

**Mr PITT:** Before I get to that specific question can I say again that the impact of Severe Tropical Cyclone Debbie continues to surprise people in terms of the economic impact, which we expect is going to be more than \$2 billion and has had an effect for not just one but two financial years when it comes to our gross state product. It is expected that we will see a three-quarters of a percentage point lowering of our growth for those two years. In terms of what the actual damage bill itself means for our balance sheet, it is about \$1.1 billion. This has been a very damaging weather event and has had an effect on Powerlink's network. When Cyclone Debbie headed inland three months ago, it hit the Central and North Queensland regions not only with 260 kilometre an hour wind gusts but also some of the heaviest rainfall that we have seen in those areas. That severe flooding caused some major damage. It damaged 19 transmission towers on Powerlink's Nebo to Broadsound electricity transmission line. Of course, that is located around 100 kilometres south-west of Mackay. Fast-moving floodwaters have also had their impact. That affected the foundation of certain towers and that caused them to fall. It has been recounted to me that some were even folding like cardboard. That was obviously a severe force that was coming through. That created a cascading effect on the surrounding towers.

The member would be aware that the transmission line is a very important part of Powerlink's 275-kilovolt network and that supplies electricity to Central and North Queensland. Despite the extent of the damage to the networks in the area, we did see Powerlink ensuring that there were no supply impacts for customers as a result.

The replacement towers are going to be installed in the Lotus Creek and Clarke Creek area in time for summer to ensure that Powerlink's transmission network continues to operate safely and provide that reliable power heading into the hotter period. They will also be built to the latest design

standards, which is about maximising the transmission network resilience in severe weather events. Obviously a big event has come through and it has had a massive impact. Ultimately, we are getting onto the job with Powerlink.

Coming back to your question about the \$7.8 million investment, this is going to support around 17 jobs. It further demonstrates the commitment that we have to ensuring that the electricity needs of Central and North Queensland are met, and of course not having those impacts on electricity customers is important. There will not be any price impact on consumers in terms of this work as well. Obviously, though, there are landholders who must be engaged throughout the process. That is the work that is being undertaken by Powerlink at the moment.

**Mr WHITING:** The key priorities of the department listed on page 2 of the SDS include implementing the government response to the Renewable Energy Expert Panel recommendations on the 50 per cent renewable energy target for Queensland by 2030. Can the Treasurer please outline what renewable energy projects are currently underway in Queensland and what benefits these will bring to Queensland and Queenslanders?

**Mr PITT:** I did touch on this in my opening statement and in a couple of other responses. We are talking about a renewable energy boom in Queensland. We have now got 17 projects which have either commenced construction or have finalised commercial arrangements. When completed we are expecting to see that these projects will deliver around 1,200 megawatts of clean power to the state. That will almost double Queensland's current renewable energy supply. This is going to provide the annual energy needs for some 520,000 houses.

The development of these projects will of course have great economic benefits, as I touched on earlier. The jobs that go along with these projects are very important. The investment being boosted by \$2.3 billion equates to around 2,200 jobs during construction and delivers reductions in greenhouse gas emissions. This includes the \$1.05 billion Genex Kidston project. This is a wholly renewable operation in North Queensland which we expect will provide around 500 construction jobs and 18 operational positions to go along with it. We fast-tracked this project after giving it critical infrastructure status. In the process, we have streamlined approvals and provided even greater certainty for that project. It is also shortlisted for Northern Australia Infrastructure Facility funding, as I understand it. If that is the first funding to come out of the NAIF, that will be the first test. What we are talking about is a 15-megawatt first stage which is expected to be completed late this year. The additional 270-megawatt stage 2 is due for completion in early 2020. The 250 megawatts associated with the hydro-electric power station component is expected by 2021.

We have also provided a \$100 million investment of Stanwell's dividends to fund a proposed hydro-electric power station on the Burdekin Falls Dam. The project construction is to commence from 2020 and is expected to support around 200 jobs. There is an equity injection of \$100 million and a reinvestment of dividends towards improving dam safety at the Burdekin Falls Dam. It is important because obviously all of these assets will need to continue to meet those safety standards. That work supporting the proposed hydro-electric power station will support around 250 jobs.

Another noteworthy renewable energy project is the \$217 million Darling Downs Solar Farm and the \$48 million Oakey Solar Farm. These are key projects. Of course, solar has been a great success story in Queensland over many years. These renewable projects are expected to bring around 270 jobs combined. For the benefit of the member for Burleigh, I do not know what the overall coverage area of solar panels is in Queensland now—how many 'hectares' that is—but obviously it is a very important thing that we are rolling out to ensure we get good outcomes in terms of trying to reach our renewable targets.

I had a chance to witness firsthand the lay-down area in Cairns. Ports North is working very closely with Ratch-Australia in terms of the \$380 million Mount Emerald Wind Farm. We will see 53 giant wind turbines which are going to have to be moved from the port of Cairns up to Mount Emerald. This is about generating 180 megawatts of electricity and 150 jobs during construction. The blades of these wind turbines have a span greater than a 747, so they are absolutely enormous. Logistically it is going to be a big exercise, but people in Cairns will have a great chance to see a whole lot of big pieces of kit being moved on trucks. Of course, that will have to be a very heavily managed process.

There are a number of other renewables projects across the state: the Ross River Solar Farm, the Sun Metals Solar Farm near Townsville, the Clare Solar Farm near Ayr, the Lilyvale Solar Farm north-east of Emerald and the 70-megawatt Emerald project in Central Queensland. We have so many in terms of the list that I may have to provide that out of session to you. It really goes to the point that beyond these projects we are expecting over 5,000 megawatts of renewable energy projects at an early

stage of development in Queensland, demonstrating—as I have seen this week having been in Tokyo, Hong Kong and Singapore—that interest in investment in Queensland is enormous, and a big part of that is investment in renewables.

I am very buoyed by what I have seen this week. I am very excited by what we have been able to deliver already over this term of government. A 50 per cent renewables penetration target by 2030 is achievable, and it is going to make a considerable difference to outcomes for people and the environment, of course.

**Mr HART:** Treasurer, I draw your attention to the table on page 152 of Budget Paper No. 2. I have copies here if members would like them.

**Mr PITT:** I hope all members have Budget Paper No. 2 in front of them. It is a must-read.

**Mr HART:** It is a must-read. The second line refers to electricity generation income. In 2015-16 it was \$382 million and in your own budget in 2016-17 you have budgeted for \$482 million, yet the actual income of the generators in Queensland was \$892 million—a jump of \$410 million over your own budgeted figure. Minister, can you tell us when you became aware that the generators were making so much money?

**Mr PITT:** The former minister, who is also a shareholder of most of our government owned corporations, and I obviously receive briefings on a quarterly basis as to how they are tracking against the targets that have been set or what the forecasts have been. The question you are asking me today is a question that probably should have been asked in terms of the forecast, because this is a Treasury forecast. It is not something that is done by DEWS. Those forecasts are provided by Treasury on the best available information, and of course there are a number of different impacts and events that can occur. The line of questioning today has really been about suggestions around what happens with our generator companies and whether there is any price gouging, and you were particularly trying to reference Stanwell. That is the question you have tried to put to us.

There is absolutely no suggestion that that is the case. We had an Australian Energy Regulator review, and when you have that trigger in place they will look at the circumstances. They have definitively said that it was as a result of the heatwave, the extreme weather situation that we had, which led to that significant spike. That, of course, had a lot of flow-through in terms of dividends. I remind the member again that, when it comes to our government owned businesses, the proceeds they get—the profits, as you refer to them—come back to the state of Queensland. We have not talked about those things supporting the general budget—because they do. They come back and support our schools, hospitals and police on the beat. We have done more than that. We have acted in direct response to the circumstances to ensure that our \$770 million was not just something that we said we might do. We acted and we have done it, and it has had a material impact when it comes to expected price rises across Queensland. When you compare those to other jurisdictions, it is without doubt a very big benefit of having public ownership of these businesses.

I want to refer to a couple points here. We had a lot of commentary around what the chair of the ACCC, Rod Sims, has talked about. I want to read to a quote from Mr Sims in terms of his interview today on Steve Austin's show. He said—

Now, again I am trying to be fair here. The good news is the Queensland government, alone of any government, has drawn on its own budget to remove a cost to consumers, and I certainly applaud them for doing that. Again I think it is evidence of a welcome focus on affordability after many years where there was no focus on affordability.

When you go further to the points that we have made about other strategic interventions the government has made Mr Sims says—

The New South Wales government challenged the AER's most recent decision—  
and I referenced this earlier—

along with the ACT, and that meant the ACT and New South Wales consumers are paying \$3 billion more for electricity than they otherwise would be. The Queensland government chose not to appeal, so I say there's pluses and minuses of how this has been handled, and I think—I give credit to the Queensland government for deciding not to appeal.

What I would also refer to the member is that the senator for Queensland, Matt Canavan, said last week that the cause of the recent doubling of wholesale prices over summer and the impacts on the Boyne smelter in Queensland were caused by the closure of the privately owned Hazelwood power station in Victoria. I think there is enough evidence there to suggest that we have those episodes occurring; that is why you have seen it. I remind the member again that we as a government monitor what is happening with the businesses and what they are recouping, but ultimately they are operating under the National Electricity Market Rules.

**Mr HART:** You just said that you monitor what they are earning, so my question before—which you really did not answer—was: when did you know that the energy generators were recouping twice what you were expecting them to recoup? Was it in the first quarter, the second quarter, the third quarter—

**Mr PITT:** Member, I am a little confused by your line of questioning again. On the one hand you are concerned that they are—

**Mr HART:** It is a straightforward question.

**Mr PITT:** On the one hand you are concerned that they are recouping additional monies. You have also talked about the wholesale electricity price, which we have seen has been significantly impacted by these other events—

**Mr HART:** It goes to gouging, Treasurer. That is what I am trying to get at. When did you know?

**Mr PITT:** The member is making an assertion—

**CHAIR:** Member for Burleigh, you asked a question—

**Mr PITT:**—and I have given the member evidence from multiple sources to suggest that the action we are taking is appropriate; secondly, that the incidents we have seen, including extreme weather events, have impacted—

**Mr HART:** Minister, it is in here. When did you know?

**Mr PITT:** That is a forecast. I am happy to give the member a lesson in what happens with forecasting. You do forecasting based on the best known information—

**Mr HART:** So your forecasting is wrong—

**CHAIR:** These question are more in the portfolio of Treasury.

**Mr PITT:** They certainly are. As I said, the member for Indooroopilly should have asked these questions if he wanted to challenge Treasury forecasts.

**Mr HART:** Chair, I cannot ask the minister who was responsible at the time. I can only ask the minister who is sitting here now.

**Mr PITT:** The former minister would have said that those forecasts are done by Treasury and you should probably refer those questions to Treasury.

**Mr HART:** Let me—

**CHAIR:** Member for Burleigh, I appreciate the Treasurer giving a more fulsome answer than he was required to.

**Mr HART:** Let me ask the minister who is sitting here before me today—

**Mr PITT:** As the acting minister, on behalf of the minister who is not here—

**Mr HART:**—when would he have been made aware that the generators were making twice the profit that they were anticipated to make? That is the simple question.

**Mr PITT:** I provided you with an answer in terms of how—

**Mr HART:** I have not finished my question. Was it in September? Was it in December? Was it in March? When was it?

**CHAIR:** The minister answered that question.

**Mr PITT:** The answer to the question is the timing of when we were aware there may have been some additional revenue coming through. As we said, it spiked as a result of extreme weather and other market forces in what is a national market.

**Mr HART:** My next question—

**Mr PITT:** Member, I will continue to answer your question. I am not sure where you are headed with the timing issue, because of course in this case Stanwell and CS Energy are government owned corporations acting in accordance with the national rules. What we have done is intervene.

**Mr HART:** Fine.

**Mr PITT:** If you are prepared to accept—

**Mr HART:** I accept your answer.

**Mr PITT:** The timing of when we were aware is largely irrelevant, but if that was the case—

**Mr HART:** I accept your answer.

**Mr PITT:** I have not completed my answer, but if you wish to accept it in part—

**Mr HART:** I have some more questions I would like to ask. Minister, you found out at some stage that these generators were making over \$400 million more than you expected. What action did you take? Did it ring any alarm bells for you? Did you think, 'I wonder why these generators are making so much money'?

**CHAIR:** Is your question, 'What action did they take?' or was your question, 'Did it ring any alarm bells?' Could you please ask a question?

**Mr HART:** All of the above. What action did you take?

**Mr PITT:** If you had let me finish my answer to your previous question I was probably going to get to your next question anyway. The answer is that we have acted, and of course that is something that you both support and do not support all at the same time. We have acted in terms of issuing a direction under the Electricity Act. We have done that to show that we as a government still have an ability to make a strategic intervention. Of course, in saying that we keep coming back to the fact that they are operating under the National Electricity Market Rules, which we wish to see a very, very close review of to ensure they reflect the contemporary energy mix in the market today. I cannot be any more clear to the member than that. We have made an intervention. Are you concerned, member, that we are not acting? We have acted.

**Mr HART:** I am concerned that you have made an intervention because were you caught gouging.

**Mr PITT:** We have also taken direct action in terms of providing more than \$770 million. In my capacity as Treasurer I can say that this is a whole-of-government balance sheet exercise. We act as a Queensland government. We do not do everything in silos. Our response has been a \$770 million investment to lower the expected electricity price rise from 7.1 per cent to 3.3 per cent.

**Mr HART:** I accept that.

**Mr PITT:** I think you have to be very clear. If you are accepting that, you must also accept that we have acted—

**Mr HART:** I have some more questions.

**Mr PITT:** We are acting in the best interests of Queenslanders within the current national framework, and that is the critical point. If we do not see some movement there, you should speak to Malcolm Turnbull and make sure that we have some ability to really reflect the changes needed.

**Mr HART:** Minister, in the same table next year's budgeted return is now \$1,070,000,000, the year after it is \$858 million and the year after that it is \$750 million. Are they mistakes in forecasts or are your generators expecting to make just as much money in the next four years?

**Mr PITT:** Again, some of the assumptions made include Queensland's increasing role in supplying electricity into New South Wales. Again, moneys that are earned by the businesses have a role which is not only about Queensland customers but of course exporting electricity into other markets. As you can see and as Senator Matt Canavan talked about, the closure of Hazelwood has had a significant impact and it is going to continue to be the case for some time that New South Wales will be providing support into Victoria and we will be providing support into New South Wales and the businesses will continue to operate along those lines. Of course you also have to take into account that, when talking about the line item in the budget you referred to, it is not just about the generators; it is across all of the electricity businesses. When you start looking at what is there in terms of merger savings for—

**Mr HART:** It is generation.

**Mr PITT:** What we are talking about here is the merger savings from Energy Queensland bringing together Ergon and Energex. Those merger savings continue to come through and flow as we promised at the election.

**Mr HART:** This is 'Energy generation', Minister. That is the line. Anyway—

**CHAIR:** You said 'the line', did you not; you did not say that was a lie?

**Mr HART:** That is the line in the—

**CHAIR:** The line; that is right.

**Mr PITT:** I am going to ask the director-general to provide some additional comments because there is a lot more to the question than I could provide the response on. As we have said, these are Treasury forecasts based on the best available information and best understanding of demand, but there are some other things at play and I will ask the director-general to provide you with some additional information.

**Prof. Simshauser:** Thanks, Treasurer. The 2017-18 Budget Paper No. 2 on page 152 is referring to—

**Mr MOLHOEK:** Can I just suggest that this information be tabled or we—

**Mr PITT:** No, that is not—

**CHAIR:** No. You did ask a question.

**Mr PITT:** I have asked my director-general to provide additional information to the response.

**Prof. Simshauser:** I will be quick too. Earnings before interest and tax reported do not just include the income from generation sent out; they also include income from coal and sales, which are material. There are some large mark to market adjustments with hedge accounting and also the unwinding of onerous contracts. There is a large number of moving parts that add to that; it is not just about income from energy sales.

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

**Mr MOLHOEK:** I want to ask some questions of Mr Martin Moore, the CEO of CS Energy, and also of Richard Van Breda from Stanwell. Mr Moore, my question is with respect to the SDS at page 3. It talks about the department's implementation of the government's response to the Renewable Energy Expert Panel. What assessment or what research or what concerns has your organisation raised with the government about the effect of their 50 per cent renewable target?

**CHAIR:** You are presuming that they have?

**Mr MOLHOEK:** The government's policy is this 50 per cent renewable target, so my question is—

**CHAIR:** You are presuming that they have raised it.

**Mr MOLHOEK:** Have you raised concerns or have you done any assessment about the impact of the government's renewable energy target on your business's capacity to continue to provide these sorts of returns to government?

**Mr Moore:** Thanks very much for the question. We have not raised any concerns with the government about that modelling. In fact, the modelling that we undertake around market pricing is really based around the five-year forecast period of the forward estimates, so we do not provide long-range estimates of that other than for asset revaluations.

**Mr MOLHOEK:** Has there been any assessment done within your organisation on future financial capacity and profitability based on the assumption that 50 per cent of energy is going to come from renewable means into the future?

**Mr Moore:** No, not specifically. That is one input into the market modelling and we do look at forward prices.

**Mr MOLHOEK:** Thank you. Mr Van Breda, I have basically the same question. Has there been any assessment done within your organisation about the impact of the 50 per cent renewable target on your business's capacity to provide future returns or sustainable returns as we have seen in document 2 of the budget statement?

**Mr Van Breda:** Thank you for the question. We do do shorter term modelling within the financial periods—so the financial forecast period—but we also do broader strategic modelling to see the impact of a changing energy mix and potentially how we will be dispatching our plant. Our results look at a range of scenarios and, as the member would appreciate, modelling is only as good as the assumptions and it is probably wrong as soon as it is done. Having said that, we have looked at the modelling that was undertaken as part of the REEP review and our scenarios are broadly consistent in that our portfolio will continue to operate to support a larger renewables portfolio going forward.

**Mr MOLHOEK:** Is that recognition likely to have a significant impact on future viability or the proportion of returns that your organisation can provide to government?

**Mr Van Breda:** We continue to see our plant operating and at this point, based on the modelling that we have done, which is fairly high level, there is no indication that we are going to be bringing that plant off any sooner. Also it is very dependent on how the energy market transitions and the different energy services that are going to be required by synchronous generation such as ours.



**Mr MOLHOEK:** If other states become more dependent on Queensland for bulk load supply out of our coal power stations, there is actually market opportunity for Queensland.

**Mr Van Breda:** Correct. We will be pushing electricity south into New South Wales more and more.

**Mr MOLHOEK:** Mr Van Breda, do you consider that the push to move to more renewable forms, which fundamentally involves—

**CHAIR:** Are you asking for an opinion?

**Mr MOLHOEK:** Yes. I probably cannot do that, can I?

**CHAIR:** No, you cannot.

**Mr MOLHOEK:** I will direct my question to the acting minister or the Treasurer, I should say.

**Mr PITT:** I was consulting the director-general. I did not hear the question.

**Mr MOLHOEK:** I was just about to ask a question.

**Mr PITT:** Sorry. I thought you said you were referring it to us.

**Mr MOLHOEK:** In terms of the policy formulation around the Powering Queensland Plan and the Solar Bonus Scheme and the solar future commitments, because they are big components of the budget this year and going forward, I wonder if you could tell me a little bit about what sort of assessment has been done by the department in looking at the whole picture. What is the value to Queensland, apart from some of the environmental benefits that are implied? What are the financial assessments that have been done around the import of overseas manufactured solar panels, wind turbines et cetera versus actually scaling up and using more of Queensland coal? Has there been assessment around—

**CHAIR:** Get to your question.

**Mr MOLHOEK:** Sorry, Mr Chair, but the acting minister did say that there would be more jobs from renewables and quoted figures. I guess I just want to understand the full picture in terms of the analysis. What is the real benefit of this huge shift to Queensland, what is the financial impact and how does it impact on future mining royalties and cash flows?

**Mr PITT:** In trying to respond to that, I could take that on notice to a point except for the fact that there is a clear jobs outcome from the renewables investment we have already seen. Over the longer term if we see that investment increasing, as we have talked about, and the expert panel's suggestion that investment is going to increase by \$6.7 billion under the target, that is looking at up to 6,700 additional jobs a year between 2020 and 2030. That in itself is not just an environmental outcome; that is an economic outcome and a jobs outcome and we think there is a lot of robustness behind the assumptions that have been made. I cannot provide detailed commentary about the assumptions themselves because I was not overseeing that work at the time. Needless to say, this is not simply—and I do not want to downplay the environmental outcomes; they are a very important outcome—about the environment. This is about transitioning to a renewables future. We are very well placed as a state, given our traditional sectors. I think it is important to think that whilst we are not supporting an additional coal-fired power station being built the fleet that we have will continue to play a very important role going forward. There will be a place for our fleet of coal-fired power stations, a number of which are supercritical. They are very efficient in terms of environmental standards. Also, our domestic gas reservation policy when it comes to those tenements is critical. If we are able to use that as our transitional energy source, it becomes a lot easier to move to the renewables target. There has been a lot of thought put into this. If the member is seeking advice on whether modelling has been done to incorporate whether it is overseas made solar panels, I cannot give you that detail at this point. I would ask the director-general if he has any additional comments to make.

**Mr MOLHOEK:** Just on that—

**CHAIR:** Hang on. Member for Southport, the director-general will answer. You had a four-minute preamble to that question. We are running short of time, but I would like the director-general to be able to answer.

**Prof. Simshauser:** What I can say about the modelling is that it was undertaken by the Centre of Policy Studies using a computable general equilibrium model. Under those conditions, it is generally the case that the flow of trade and goods and services is picked up, but we can certainly drill down and get some more detail on whether that was captured or not and take that on notice if that was considered helpful.

**CHAIR:** So your question has been taken on notice.

**Mr PITT:** Chair, the member for Bundamba asked a question earlier as it related to disconnection fees. Rather than coming back at a later stage, we have that information available if the member wishes to hear it now.

**CHAIR:** Yes; please.

**Prof. Simshauser:** The disconnection fees are zero, so there is no charge at all for disconnections. There is a reconnection fee. If it is done during normal business hours it is \$50.15 and if it is out of hours it is \$120.90. Probably the other thing just worth noting is that the disconnection rates this year by comparison to 2014-15—disconnection rates are always higher than we would like them to be—are down 27 per cent on the 2014-15 year results. They have been trending down following the stabilisation of prices.

**CHAIR:** Thank you. We will quickly go to the member for Lytton. I am mindful of the time.

**Ms PEASE:** Treasurer, I refer to page 3 of the Service Delivery Statements and the commitment to safeguard the interests of vulnerable consumers. Would you be able to please update the committee on the solar trial across the four sites in Queensland that aims to deliver electricity savings to some of the state's most vulnerable?

**Mr PITT:** This relates to those public housing tenants who are in detached government owned houses and looking at taking on the benefits of rooftop solar power. We have talked extensively today about why solar is such a critical piece of the renewables targets that we are trying to achieve, but the trial is being undertaken in Woodridge, Lockhart River, Rockhampton and Cairns. The expectation is that it will deliver up to six megawatts of new solar PV on around 4,000 new solarised rooftops across Queensland. This is a trial which has great potential to be rolled out further, but obviously we need to go through the process of having a look at exactly what the outcomes are. Half a million properties in Queensland are rentals which have had limited residential solar uptake until now. As the state's largest landlord, this trial does present a great opportunity to develop a workable model which could also have some flow-on effects to the private rental sector as well.

It could also of course improve outcomes to see cheaper electricity when growing our state's renewable energy sector, and we can talk about some examples. In Woodridge up to 2,000 eligible public housing tenants managed through Logan City's Woodridge Housing Service Centre will be able to enter a solar power purchase agreement which allows them to receive cheaper power from solar. Under this agreement, the eligible tenants will purchase solar power from a solar PV system installed at the premises as well as power from the grid. The Department of Housing and Public Works is working with the Department of Energy and Water Supply to engage an energy consultant to assist with market sounding in South-East Queensland to find a partner for the Logan-Woodridge trial. I can say that QCOSS has been contracted by DEWS to assist with tenant engagement in promoting the trial in the local community.

I think it is a really good question. It is a way that we can further expand support to vulnerable people facing electricity prices that in some instances they just simply will not be able to afford. This is a really important outcome for those people. As I said, I am pretty excited about the potential flow-on effects to the private rental market. If we are able to get this right, that would be an excellent outcome. I also want to say that one of the things that has come through our market-led proposals framework has been an exciting opportunity around putting more solar on to the roofs of schools. Again, we have a lot of available real estate and the government, as a big landlord as a provider of government buildings, has that opportunity as well. Just before I finish here, I seek leave to table documents that do have a source on them related to questions I answered earlier. I took it as read that DEWS's analysis was source enough, but it now clearly has those labels on there for the benefit of some of the members who had concerns earlier. I seek leave to table those.

**CHAIR:** Is leave granted? Leave is granted. Thank you. We will accept those as tabled.

**Mr PITT:** Thanks, Chair.

**CHAIR:** The time allocated for the consideration of the estimates of expenditure for the portfolios of Energy, Biofuels and Water Supply has expired. I just want to go through these questions on notice and make sure that they are as understood. The member for Southport had a question: what financial analysis has been done by the department and Treasury on the impact of a 50 per cent renewable target on coal royalties, future dividends to government from GOCs, CS Energy and Stanwell Corporation?

**Mr PITT:** Yes.

**CHAIR:** From the member for Bundamba: has the government done any independent assessment on the impact of energy costs to downstream industrial customers as a direct result of the potential closure of the New Acland Coal Mine? Will the government consider this?

**Mr PITT:** Yes. Mr Chair, there is just one thing that I did want to add, if you could just indulge me for just a moment. Thanks to the committee today, but I wanted to mention that, sadly—he did not get a guernsey today in terms of answering any questions—Ken Sedgwick is going to be finishing today after a very long and dedicated Public Service career spanning 38 years. Nearly 40 years is an extraordinary contribution and I just wanted to acknowledge that here today.

**CHAIR:** Thank you, Mr Sedgwick. The questions taken on notice must be provided to the committee secretariat by 5 pm tomorrow, Friday, 28 July. The transcript of this session of the hearing will be available on the Hansard page of the parliament's website within two hours. Thank you, Treasurer and departmental officers, for your attendance. The committee will now adjourn for a break. This hearing will assume at 2.15 pm for the examination of the estimates for the portfolio of the Minister for Housing and Public Works and Minister for Sport. Thank you.

**Proceedings suspended from 1.33 pm to 2.15 pm**

## ESTIMATES—PUBLIC WORKS AND UTILITIES COMMITTEE—HOUSING AND PUBLIC WORKS AND SPORT

### In Attendance

Hon. MC De Brenni, Minister for Housing and Public Works and Minister for Sport

Ms M Hallam, Senior Policy Advisor

Mr K Kumar, Senior Policy Advisor, Sport and Recreation Activities

#### **Department of Housing and Public Works**

Ms L Carroll, Director-General

Ms C Castley, Deputy Director-General, Housing and Homelessness Services

Ms R Turbit, Assistant Director-General, Corporate Services

#### **Queensland Building and Construction Commission**

Mr B Bassett, Commissioner


#### **Department of National Parks, Sport and Racing**

Mrs T O'Shea, Director-General

Mr A Broughton, Acting Deputy Director-General, Sport and Recreation Services

#### **Stadiums Queensland**

Mr T Harris, Chief Executive Officer

 **CHAIR:** The committee will now examine the proposed expenditure in the Appropriation Bill 2017 for the portfolio areas of the Minister for Housing and Public Works and Minister for Sport. The committee will examine the minister's portfolio until 6 pm. During this time we will suspend proceedings for a break from 4.30 pm to 5 pm. The visiting members with us are Mrs Jo-Ann Miller MP, the member for Bundamba; Mr Stephen Bennett MP, the member for Burnett; and Mr Shane Knuth MP, the member for Dalrymple.

I remind those present today that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply to this hearing. In this regard I refer to standing orders 112 and 115. Questions should be brief and relate to one issue and should not contain lengthy or subjective preambles, argument or opinion. I intend to guide proceedings today so that relevant issues can be explored fully without imposing artificial time limits and to ensure that there is adequate opportunity to address questions from government and non-government members of the committee.

On behalf of the committee I welcome the minister, the director-general, departmental officers and members of the public to the hearing. For the benefit of Hansard, I ask departmental officers to identify themselves the first time they answer a question referred to them by the minister or director-general. I now declare the proposed expenditure for the portfolio area of Housing and Public Works open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, if you wish, you may make an opening statement of no longer than five minutes.

**Mr de BRENNI:** Thank you. Good afternoon, committee members and visitors one and all. The 2017-18 budget is a budget that is firmly delivering for the people of Queensland. It is a budget that firmly cements Queensland as a state that leads in inclusive growth, in tackling inequality and in supporting the most vulnerable among us.

As the Minister for Housing and Public Works, I am very proud that we are delivering \$2.1 billion in forward activity through the measures contained in this budget. It is activity that supports our front-line workers, that backs in local jobs and that, importantly, will help build a fairer state. It is an ambitious program of works. Earlier this year I was talking to some people from interstate about the capacity that we have to deliver these works in Queensland. We are unique in being a state that continues the tradition of having a strong housing and public works department. Despite the intentions of those

opposite when they were in government, we have maintained capacity to deliver for the people of Queensland. We believe that Queensland is richer for it. States such as New South Wales and Victoria, smashed with privatisation and job cuts in the 1980s and 1990s, do not have anywhere near the capacity or corporate knowledge that we have in Queensland. I think that absolutely shows. Had the previous LNP government succeeded in its full privatisation and job cuts plan, it would have been an enormous shame.

It is HPW's ability to deliver that will allow us to transform lives through our \$1.8 billion Housing Strategy, including our \$1.6 billion Housing Construction Jobs Program. Our plan will see over 5½ thousand new homes built over the next 10 years. It is the most significant revitalisation of public housing in the past decade and is a clear demonstration of our commitment to deliver housing as an essential service for the most vulnerable.

Through this investment we will also be supporting 450 full-time construction jobs a year. Of course, the number of contractors inducted on to each of those sites will be far larger than that. That is important, because this construction jobs project creates a pipeline of building work across Queensland. To deliver this ambitious program, we have changed the way we are engaging with the market through a new, streamlined expression of interest process. This process gives builders, developers and community housing providers the opportunity to partner on projects to leverage better housing outcomes. They do this off our investment to produce more innovative housing.

Over the past 12 months, we have expanded our focus on homelessness as well to include programs that provide for more than just housing outcomes through our Dignity First Fund. Dignity First has been an enormous success. We have seen innovative programs funded right across Queensland—from helping young people learn to drive, to new shower and laundry vans, haircuts, dignity packs and food services. Dignity First has supported some of our most vulnerable through some pretty tough times. Most importantly of all, Dignity First provides our homeless friends with important support, with conversation and with connection, which is key to helping people move out of homelessness into both secure accommodation and a secure life.

Today I am also pleased to announce that we are opening tenders for four new mobile support services to be based in Cairns, Moreton Bay, the Gold Coast and the Sunshine Coast. These services will focus on young people doing it tough who are at risk of homelessness or who are already homeless.

On the building industry front, we are also progressing important reforms to ensure ongoing confidence in the building and construction sector. We are taking the strongest action in the country to deal with nonconforming building products. We are leading the national push for universal design and accessible housing. Later this year we will introduce our comprehensive package of reforms that will help make sure that subcontractors are paid on time, in full, every time.

There is no doubt that the past year has been a testing time for those Queenslanders affected by Cyclone Debbie. I would like to highlight the important role that officers of my department have played in the disaster recovery processes, in assessing and repairing essential facilities like schools, hospitals and public housing. We also assisted hundreds with emergency housing. Good government rolls up its sleeves and gets the work done. That is exactly what Housing and Public Works has done over the past year. I would like to take this opportunity to thank all of the departmental staff throughout the state who have done so much in the past 12 months to achieve those goals and who will continue to do so in the months to come. Thank you, Chair.

**CHAIR:** Thank you, Minister. We will now go to the member for Burnett to start questioning.

**Mr BENNETT:** Thank you, Mr Chair. Good afternoon everyone. Minister, I refer to page 3 of the SDS. This is about nonconforming building products, to which you alluded in your introductory remarks. I refer to the PA Hospital and the 13,000 square metres of dangerous cladding that was identified.

**CHAIR:** Just to make you aware, there is a bill before the House on nonconforming building products.

**Mr BENNETT:** Yes, thank you, Chair. Minister, for the committee's benefit, can you confirm that the department identified the PA Hospital as containing this aluminium cladding? If so, how?

**Mr de BRENNI:** I thank the member for Burnett for the question. The process of identification of cladding on the PA Hospital has been embarked upon by an audit task force that we established specifically to look into this issue. The identification of the type of cladding was determined after the audit task force sent the product for testing in the university laboratory here in Queensland. It has been sent away for further testing interstate to assess the performance of the product in the building facade setting.

As we explained to the media just last week when the initial test results came back, in terms of how the government will respond to the facade testing, that decision will be guided by expert fire engineers and building experts and we will take their advice. Our first priority, though, as it has been since day one in respect of this situation at the PA Hospital, is making sure that the staff, patients and visitors to that hospital understand that they are safe and that the hospital continues to be fully operational. In fact, the building is fortunate in that it was constructed with a strong system, within the structure itself, for the prevention and spread of fire. We want to reiterate to patients, staff and visitors that the hospital is operational and safe.

In the interim, Queensland Fire and Emergency Services has made it very clear that it has stepped up its response level in respect of this building. That is happening in accordance with the arrangements that have been established under the audit task force. I expect the work of the audit task force to continue for some time as we work through any instances of suspicious building materials that are brought to our attention.

Committee members and visitors would be aware that just a couple of weeks ago we convened a summit of participants in the building product supply chain. That summit was designed to increase awareness across the building and construction sector of the possibility of nonconforming building products and provide advice and guidance to the regulatory authorities on the task force, including the Queensland Building and Construction Commission, the Department of Housing and Public Works, and Queensland Fire and Emergency Services.

**Mr BENNETT:** Thank you. Are you able to tell the committee of any other buildings that may have been identified through the audit process?

**Mr de BRENNI:** The assurance that I can give to members of the public is the same assurance that I gave to the media last week. We are fully investigating any buildings that are brought to the attention of the audit task force. Currently, 44 buildings have been identified for assessment. Twenty-three of those are government owned buildings and 21 of them are privately owned. Can I be very clear—and this is important, committee members—that the PA Hospital is the only building that the audit task force has identified to have flammable cladding as a component in its building structure.

**Mr BENNETT:** Just 23 government owned buildings have been potentially identified and 21 privately owned? Can I clarify that?

**Mr de BRENNI:** The numbers that I have provided to you are in relation to the focus of the audit task force. We asked the audit task force to focus its attention on buildings constructed at a time in Queensland's building history when very little was known about the building cladding issue.

Clearly, in Australia since 2014, with the Lacrosse fire in Victoria, and more recently the events that we have seen in Dubai and the horrific and tragic event that we saw in London, the awareness of the whole community has been increased in respect of these products. Between 1994 and 2004 we saw the emergence of cladding as a product in buildings in Queensland. I have to say that its adoption was certainly nowhere near as widespread as it was in some of the other states, particularly Victoria and New South Wales. We have tasked the audit task force to focus its attention between 1994 and 2004. In addition, should any building, be it government or private, be brought to the attention of the audit task force it will fully investigate it.

Because of the value of the building and construction sector in Queensland—and as committee members would know, it is a \$44 billion a year industry that employs over 200,000 Queenslanders—it is important that we continue to be able to assure and reassure Queenslanders that their buildings continue to be the safest in the world.

We have a unique system here in Queensland where the building and construction sector these days works closely with the Queensland Fire and Emergency Service. It is something that does not occur in other states. As the chair mentioned before, Queensland will continue to provide leadership to other states, territories and, for that matter, to the Commonwealth in terms of making sure that our building system continues to be the most robust with the legislative reforms we have introduced into the House.

**Mr BENNETT:** One more question on this, and I only need a brief answer: is it fair to say that there may be other healthcare facilities on that audit out of that 44?

**Mr de BRENNI:** We are investigating all of the health facilities in Queensland to ensure that they are safe, but it is important to assure all of the community that in no other case—no other case—has there been identified flammable cladding on any of those buildings. As I indicated to the community in a press conference last week, we have an important system of clearing buildings off that list. That

includes the Queensland Building and Construction Commission building engineers clearing that building and, in respect to government buildings, things like hospitals, the Queensland Fire and Emergency Service also clearing off those buildings. I expect in coming days to commence the process of clearing buildings off that list, but there is no risk to safety at any of these premises that have been identified.

**Mr BENNETT:** Thank you, Minister. In reference to security of payments—the budget reference could be page 54 of budget paper 4—I notice that additional funding of \$1.7 million was included in 2016-17 to promote awareness of the government's reform agenda to improve security of payments. Could the minister advise whether this money is already spent and, if so, is this additional money included in that financial year and how much in total is to be spent on promoting awareness?

**Mr de BRENNI:** I thank the member for the question and your interest in the issue of security of payments. I know that the member for Burnett has had a long history working in the building and construction sector. Anybody who picked up the *Courier-Mail* this morning will have seen another story in the newspaper about subcontractors losing millions of dollars. Committee members would be aware that we conducted extensive consultation around the development of Queensland government policy in relation to a suite of measures designed to ensure that if you do the work in a building construction setting here in Queensland that you get paid on time in full every time.

The question alludes to the extent of funds expended on that exercise. Can I say that exercise provided me an opportunity to meet with industry stakeholders in their thousands across the state, from Cairns to Coolangatta and out into regional Queensland, to hear from them exactly what it would mean for their business, for their family, if they could count on being paid. It was important that we ensured that in an industry to the value of \$44 billion a year, that employs literally hundreds of thousands of Queenslanders, that individuals in that industry had an opportunity to come forward to explain their perspectives and to help us form a policy that will deliver on its intent. We will soon, as I mentioned in my opening address, bring those reforms to parliament. I want to take this opportunity to thank the trades men and women, the subcontractors, the builders, the architects, the engineers and the building product suppliers who came and joined us at the sessions across the state. In respect of the amount expended on awareness of the reform process, there was \$1.45 million expended on the promotion of the consultation arrangements to date.

**Mr BENNETT:** Continuing with security of payments, if I could, page 54 of budget paper No. 4, can the minister provide to the committee a copy of the QBCC submission that was tabled on 31 March 2016 to the initial discussion paper on security of payments? You still have it open on your website. We have not seen the submission. I am wondering if you are willing to give the committee a copy of that report.

**Mr de BRENNI:** I do not have a copy of that report with me.

**Mr BENNETT:** Are you willing to provide it on notice? There may be security around it. There may be some confidentiality. I am asking will you consider producing a copy of the report that was tabled on 31 March 2016 in relation to security of payments? My question is what advice was taken in formulating the policy that you are intending to bring to the House, was it unbiased and did you also take information from your own department?

**Mr de BRENNI:** I will have to come back to the committee on that to see if I have a copy of that report available.

**CHAIR:** If you can get that before the end of this session. If not, it will be a question on notice.

**Mr BENNETT:** I refer to page 8 of the SDS, delivering on addressing security of payment for subcontractors. We have referenced the tragic failures of contractors. I reference Batir Constructions, who undertook a number of projects for the Department of Housing and Public Works—ambulance stations, fire stations—and, as we all know, tragically went insolvent last year. There were a number of projects completed that had cash retentions which were being held for the duration of the defects liability period, and we understand how that works. Several subbies have submitted subcontractor charges to the department to recover their cash retentions on particular projects. HPW have advised that it intends to retain these 'on account'—their words—and to set them off against additional costs for completing additional projects. My question is: if the department is proposing to sponsor new legislation to establish project bank accounts to ensure money cannot be diverted from one project to another, how can it justify doing exactly the same thing to these subbies?

**Mr de BRENNI:** I will not go into the particular issues relating to particular building contracts or particular legal issues. The loss of funds to subcontractors is exactly the issue that we are trying to resolve here. I thank the member for Burnett for pointing that out. The circumstances that arise in

relation to companies like that one that go bust owing money to subcontractors, in my assessment arise directly in many cases from your government's decision to ignore the recommendation of a previous parliamentary inquiry into security of payments in the building and construction sector when the Newman-Nicholls government made the decision to water down the minimum financial requirements.

**Mr BENNETT:** I wish we did not have to go there. A point of order, Mr Chair—

**Mr de BRENNI:** Of course you wish we did not have to go there. I would not be proud of it if I was you either, mate.

**CHAIR:** We are not here to argue.

**Mr BENNETT:** In particular if you could look at this one, the Batir collapse, you have a subbie who is trying to get money back out of a retention trust with your department who is being fobbed off. Could you take that on notice and get back to us?

**Mr de BRENNI:** I am not going to entertain the deliberation of particular matters that are subject to legal approaches through an estimates hearing or any sort of parliamentary process. I know that my department has been working closely with all of the stakeholders in that particular matter. It should never have happened that a building company was able to go broke without red flags being raised with the regulator and that has happened purely as a result of decisions taken by the then Newman-Nicholls government.

**Mr BENNETT:** We might debate that on the floor of the House when it is due. Moving on, if you are not prepared to help that subbie—

**CHAIR:** There is a bit of an inference there.

**Mr BENNETT:** I will withdraw, if that is what you want me to do.

**CHAIR:** Yes.

**Mr BENNETT:** I refer to page 35 of the SDS in relation to the Home Warranty Insurance Scheme and estimates pre hearing question No. 1 and your response. QBCC now has the policy of home warranty insurance being paid within 10 days of signing a contract. I refer to the changed QBCC policy now requiring builders to make sure that that insurance is signed. I am advised that QBCC is now receiving 200 requests a month to refund insurance premiums typically because consumers cannot get finance for projects. My question is do you believe this is good use of your QBCC resources and, if not, what actions could you take to make sure that we address this situation?

**Mr de BRENNI:** I first of all thank the member for Burnett for the question. Clearly the Queensland Home Warranty Insurance Scheme is an important safeguard for homeowners in Queensland. It is a scheme that we have been working to improve, as you would be aware in relation to your particular question that the scheme was expanded with additional cover around things like pool construction as an extension of the building work, but in terms of your question about response times and signing off of particular documents, they are clearly operational issues. If you would like an answer in relation to how the QBCC manages the paper flow, I am happy to invite the commissioner to shed some light on that.

**Mr BENNETT:** I would welcome that if that is appropriate and if the minister is happy to do that. We invite Mr Bassett to the table. Did you understand my question? Do you want me to repeat it?

**Mr Bassett:** If you could, that would be very much appreciated. Thank you.

**Mr BENNETT:** We understand there are some changed policies that have led to the 10 day requirement for signing the warranty insurance from the signing of a contract. There are 200 requests now a month for refund of those insurance premiums as a result of consumers not getting finance for their projects regardless. My question was about effective use of resources for your staff and, of course, if there was any redress we could take to fix the situation.

**Mr Bassett:** I thank the member for the question. In October 2016 the QBCC introduced a new online facility to deal with the expanded cover under the Home Warranty Insurance Scheme. That facility, whilst providing some benefits, has not given us all the efficiencies that we specifically aimed to get. We continue to work with our staff and the provider of that facility to look for those efficiencies. In respect of the specific question regarding the 200 refunds per month, if the chair is okay I would like to take that on notice.

**Mr BENNETT:** Thank you, Chair?

**CHAIR:** Is the minister prepared to take that on notice?

**Mr de BRENNI:** I think the commissioner has offered to do that.

**Mr BENNETT:** Thank you, Mr Bassett.



**Mr MOLHOEK:** While the commissioner is at the table, on the Home Warranty Insurance Scheme, Commissioner, I note in the SDS on page 37 one of the targets is to assess those claims within 35 business days. The target is to actually assess 90 per cent of them within 35 days, but the actual for the year past is only 30 per cent. Can you provide some explanation as to why we are not achieving that target given the minister has just said how important it is to honour people's claims?

**Mr de BRENNI:** I might just make some introductory remarks to that and then allow the QBCC Commissioner to add some flavour to that. What the member for Southport is referring to is the percentage of insurance claims. There is a note in the SDS which does articulate the change in the measure to 35 days. Anybody involved in the construction of a building, whether you are the owner of a building or you are the builder, will be aware that the resolution of disputes in relation to rectification can often be quite complex. Often times the home owner will make contact with the QBCC. We will then send an inspector out to assess the insurance claim. We will have to rely sometimes on an aligning of the planets to ensure that somebody is home or that a contractor can gain access to the place.

Before I let the commissioner provide some further detail to that, I will say that the 90 per cent measure has never been met, as I am advised. It has floated at around that 30-something level for a time. As you will note, we intend to improve it somewhat in the year ahead. I want to make this point very clear to the committee: importantly, it is my intention to hold the performance of the QBCC to account. That is why the measure remains in there, with only a minor increase to its performance for 2017-18. It could have been my prerogative to remove that measure altogether, but, in the interests of transparency and the continued improvement of what is a reasonably fledgling regulator, I have decided to leave that measure in there.

We have included two extra new measures that you will note at the bottom of that same page. They are all about the remarks that I made when I first became Minister for Housing and Public Works. That is, at that time I did not feel that the performance of the regulator met the community's expectations. The measure that you have identified about the percentage of claims resolved within the articulated time frame is potentially one of those. I have decided to leave that measure there. I will follow closely the progress of the commission and its staff on improving that measure. I will hand to the commissioner to shed some light on—

**Mr MOLHOEK:** I am happy to move on. I am satisfied with the answer.

**Mr de BRENNI:** I think it is worth hearing from the commissioner as to why, in his view, it takes more than 35 days.

**CHAIR:** We will get a brief comment from the commissioner.

**Mr Bassett:** Apart from what the minister has already articulated, another key reason the QBCC does not often meet that service delivery standard is because of the complexity in some of the claims through the Home Warranty Insurance Scheme. Particularly in multiunit dwellings up to three storeys, that can often result in many hundreds of defects being in one claim, which often causes a delay in some instances.

**CHAIR:** Minister, can you please outline what the response has been to the Palaszczuk government's new \$1.8 billion Housing Strategy?

**Mr de BRENNI:** I am very pleased to report to the committee that the strategy has been very well received indeed. I think the Housing Strategy will make a real difference to the lives of many tens of thousands of Queenslanders. It is part of a real demonstration of our genuine commitment to the delivery of housing as an essential service in this state. It is an indication of what Labor governments do. We understand the importance of public and social housing. Fundamentally, we understand that secure housing, often that provided by government, makes the difference in a person's life to actually get ahead. As I said, the strategy has been warmly received across the housing sector and, importantly, by residents themselves.

One of my driving principles with the rollout of our capital program under the Housing Strategy is that you should be able to walk down the street in any suburb and not be able to tell that the social or public housing, if there is any, is different from any other house in that street. Governments in the past—and we all think they did it with the best of intentions—built large concentrations of public housing in the one place, in the one neighbourhood. Many committee members will be familiar with that from their own communities. However, the result is that, many decades later, we have some areas of entrenched social disadvantage. In my own neighbourhood, when you drive down any of many streets in Logan you can tell straightaway, purely by the design of the homes, which properties are public housing and which properties are private.

Our Housing Strategy is looking for a mix of design and it is also looking for a mix of use and tenure. In saying that, an important driver in our new program is making sure that we are embracing modern design. Our new expression of interest process, through the Housing Partnerships Office, has asked those proponents who want to work on delivering this housing for us to have that modern design as a real focus of what they are bringing forward. Appropriate housing for people and appropriate housing for the neighbourhood are two very important factors.

Chair, your question was about the reaction to the strategy. I have to say that, unfortunately, we have seen some pretty disgraceful behaviour from members of the opposition—

**Mr MOLHOEK:** Point of order. The minister is not here to cast aspersions on the opposition. He is here to answer questions about the budget.

**CHAIR:** I do not believe there is a point of order, member for Southport. I asked for the reaction and he is giving us the reaction. Minister, please do not be argumentative, though.

**Mr de BRENNI:** It has been brought to my attention that the LNP has been running a centrally coordinated direct-mail scare campaign about our Housing Strategy construction program. I have seen a letter from an LNP candidate in Greenslopes. It is this one here. It is authorised in ECQ format by an official of the LNP headquarters. The headline is in caps and bold, with a bit of italics, and it says 'Labor expanding public housing units in our area'. The part that reads 'in our area' is underlined for impact. Chair, I seek leave to table a copy of the letter.

**CHAIR:** Could we have a copy, to see if the non-government members will accept it.

**Mr de BRENNI:** The letter is not in isolation. It looks like it is part of a coordinated campaign. I say that because the member for Toowoomba South appeared on the news on Friday night, protesting a new seniors unit block in Toowoomba. I think it disgraceful to stand out the front of a seniors unit block and protest by saying, 'We can't have that in that neighbourhood.'

**CHAIR:** I am sorry, Minister, but leave is not granted for the document to be tabled.

**Mr WHITING:** The LNP members are not going to table an LNP document?

**CHAIR:** Minister, we will not be able to table it.

**Mr MOLHOEK:** Essentially, it is not relevant to the budget.

**CHAIR:** Can we allow the minister to continue.

**Mr de BRENNI:** I do not need to table it, Mr Chair. Member for Southport, it is directly related to the budget. It says, 'We have revealed a plan for even more public housing unit blocks in our area'.

**Mr MOLHOEK:** Point of order. The minister is actually reading from the document and implying that they are my words.

**CHAIR:** No, I do not believe that was the case.

**Mr MOLHOEK:** He said 'the member for Southport said'. That is not what I said. I would be interested to hear what the minister has to say about his Housing Strategy.

**CHAIR:** Let us let the minister continue. My question was about the reaction to the Housing Strategy and I believe this is relevant.

**Mr de BRENNI:** We have seen a pretty miserable record from those opposite compared to our Housing Strategy. There have been lots of crocodile tears here in parliament about public housing.

**CHAIR:** I asked the minister not to be argumentative.

**Mr MOLHOEK:** You spent less in the last three years than we did—

**CHAIR:** Please stop your interjections. You will have an opportunity to ask questions.

**Mr de BRENNI:** I think the previous government's approach is in stark contrast. Chair, you asked about the reaction to our strategy. The reaction to our strategy is in stark contrast to the community's and public's reaction to the previous government's strategy. We have proposed an extraordinarily significant investment that puts housing for vulnerable Queenslanders back on track. We will provide for seniors and people with a disability. You will not see members of the Labor government protesting out the front of construction projects that are designed for seniors in our community. You will not see Labor members focus protesting on building sites where we are building homes for women and children escaping domestic and family violence, the elderly or single mums. You will not see NIMBY scare campaigns being run by our members to run down what is a generational shift in the level of concentrated investment.

I think the reaction to the Housing Strategy has been warmly welcomed. I think those opposite ought to be ashamed because many of them—

**CHAIR:** Thank you, Minister. We now move to the member for Lytton for questions.

**Ms PEASE:** I refer to page 3 of the Housing and Public Works SDS, and I ask: how will the Housing Construction Jobs Program be delivered and what are the expected outcomes of the program?

**Mr de BRENNI:** Member for Lytton, I welcome your continued interest in supporting people who are very vulnerable in the community and your recognition of this important work. Your question is about the expected outcomes of the program. I will start with the level of investment in the program. There will be a \$1.6 billion investment into the Housing Construction Jobs Program over the next 10 years. In the first five years we want to kickstart the program with the delivery of 2,972 new social homes and 1,034 new affordable homes. The fantastic news for trades men and women and builders alike is that 600 jobs per year will be created off a program to support those most vulnerable through the Housing and Construction Jobs Program—that is, 600 jobs per year in the first five years. That is good news for the residential construction sector. I have been hearing from builders and subbies across the state that they are very excited about getting involved in that.

In order to deliver that significant capital works program, we have established the Housing Partnerships Office. The Department of Housing and Public Works is working with Economic Development Queensland. Their role is to engage with stakeholders to identify, leverage and deliver development opportunities, particularly on underutilised state land. It is the same model that some of you will be familiar with through our Better Neighbourhoods Logan program, which was also well received by industry. It really ushers in a new way of working that focuses us on listening to the market and identifying opportunities for what will be very quick transactions and a flexible approach to delivering homes and getting them to market. We designed it that way after listening to feedback from industry, with the intent that projects should be shovel-ready. Construction is going to commence on a range of projects before the end of the year.

I can report to the committee that one of the key benefits of this new and flexible approach through the strategic partnership with Economic Development Queensland is that EDQ has brought expertise and experience as a planning and property development unit which has allowed us, as a department, to engage with stakeholders, other agencies and local governments in particular. I thank the local governments for their continued cooperation and support of this program. It has also brought developers and builders into the fold. It is allowing us to identify some really good high-quality developments and projects. Their advice also ensures that it aligns with the Advancing Our Cities and Regions Strategy—it is important to have that in alignment—the emerging South East Queensland Regional Plan and the State Infrastructure Plan.

As I mentioned earlier, the expression of interest process has been streamlined. That has been designed to reduce tendering costs. Every dollar that we can take out of tendering costs and have go into new housing we will. It will result in faster delivery times. That has obviously been welcomed by the building and construction sector. I think it is a smart way of going about our procurement.

We have offered a range of opportunities to the sector. We have offered opportunities to the sector, including state owned sites for redevelopment and immediate construction. We have said, 'Here is a block of dirt. We want to build a building here.' There are private sector proponents with projects with development approvals already in place. Those proponents have come to us and said, 'I have something that, if I partner with you, we can build and then get people housed in very quickly.' There are also new precinct based options.

We got this going the week following the budget. We rolled out sessions right across the state. I attended these sessions with developers and community housing providers. They were very well attended. I thank the builders and developers across the state for attending those sessions.

I am extremely pleased about the speed at which this process is moving. I asked for it to be fast and efficient. We are going to see the expression of interest process close on Monday, 31 July. I know that sitting behind me are some of the departmental officials who are responsible for delivering this. I thank them for their efforts.

The Housing Partnerships Office will then assess both the market opportunities and the registrations of interest. Specialist advisers will provide support for that evaluation process. We will be looking at making sure we get the best value for money for Queensland taxpayers and meet the visions and objectives of program too.

I will advise members of the committee about the investment that they will be seeing in their own backyards as a result of this process. I think there is probably interest in that, if you will indulge me, Mr Chair.

**CHAIR:** Yes.

**Mr de BRENNI:** I am sure the member for Redlands will be pleased to hear that in the neighbourhood that he and I call home—the member for Redlands and I are electorate neighbours—there will be \$150 million invested. That will see 85 jobs per annum created and supported. There will be 492 new homes built. That is good news for people in our community, member for Redlands.

I think the member for Southport will be thrilled to hear that across the Gold Coast region there will be \$110 million invested and 392 new homes built. I know that will be welcomed in the member's neighbourhood.

**Mr MOLHOEK:** Did you say 110 or 390 for Southport?

**Mr de BRENNI:** There will be \$110 million invested and it will deliver 392 dwellings.

Member for Burnett, there is good news for your region as well. I have had a crack or two at the member for Burnett in parliament and called him 'two homes Bennett' before and given him a bit of a dig. The good news for the member for Burnett and the people of the Wide Bay-Burnett area in particular is that we will invest \$25 million in the area. That will deliver 56 new homes. That is a little bit better than two. That will support 14 new full-time jobs.

We will continue to work statewide as we deliver that new social and affordable housing across the state. I think our record against the previous government's record will hold up any day of the week.

**Mr COSTIGAN:** What do I get—a big fat zero?

**CHAIR:** We could probably get your figures, member for Whitsunday.

**Mr de BRENNI:** I did not outline the figures for some of the others either, Mr Chair. I can get you those details.

**CHAIR:** We missed out too, member for Whitsunday.

**Mrs MILLER:** I ask these questions in relation to your role as the Minister for Public Works. Is the minister aware that at Tieri, which is coalmining town in Central Queensland, a number of coalminers who have been locked out by Glencore have assisted the local school with cleaning up and doing odd jobs? This is a community service by the CFMEU. Glencore has gone to the school and advised it that the company will 'cut off funding to the school due to CFMEU assistance'. As Minister for Public Works, how can you protect these community minded coalminers, the principal, teachers and staff of the school from such intimidating behaviour by Glencore when their community service is actually saving the government money?

**Mr de BRENNI:** I start by commending those coalminers in Tieri. I have not visited Tieri myself. I know that the level of community engagement that is shown by members of the CFMEU—and other unions for that matter—in those small communities makes the difference between a town that lives and dies.

I was out in Winton on the weekend for the Queensland Rugby League's country week. It is evident to me that union members in those towns not only do a great job in terms of representing their colleagues at work but also are community leaders who get out and make sure those towns keep functioning. They should be commended.

In my role as Minister for Public Works, I am responsible for procurement. I have been working closely with the department and its regional Building and Asset Services—the new QBuild agency—to ensure that wherever possible we can make sure that in those local communities maintenance work or building work is done by local people.

In respect of the support that is provided by members of the CFMEU in that town to the school, again I commend and congratulate them. The behaviour of the mining company in bullying them and bullying people in that community is nothing short of reprehensible. I do not think that any Queenslanders think it is acceptable in Tieri or anywhere else in this state. If there are actions that I can take that demonstrate my support for those coalminers and that community, I will certainly be taking them.

**Mrs MILLER:** I have a question in relation to Collingwood Park in my electorate. I am wondering about the land that the housing department owns in Collingwood Park. Would you consider using that land for light-weight housing for seniors in my area?

**Mr de BRENNI:** I understand that over the last several years there have been some challenges with building and construction around Collingwood Park. The member would know that I am somewhat familiar with that area. A lot of the students that attended my wife's school when she was teaching out there were from Collingwood Park and they would talk about cracks appearing in their backyards et cetera.

That community and lots of communities with reactive soils provide interesting opportunities for us to, as you say, trial different housing typologies. I know it is not in Collingwood Park, I grant you that, but in some remote communities in Far North Queensland the usual structures that you build really struggle in those conditions—and I suspect for some of the same reasons that are faced in Collingwood Park.

I am advised that we have 102 vacant parcels of land. We have undertaken some geotechnical investigations of those. I cannot say what the outcomes of those have been and what that advice looks like, but what I can commit to you, member for Bundamba, is to, following today's session, talk to you further about the opportunities that we can create there. There is probably no fiercer advocate for the housing needs of people anywhere in this state than yourself. I am very happy to have discussions with you about that and bring my agency to the table. If we can find ways to maximise the use of that under-utilised state land then I am very willing to do that.

**CHAIR:** We will go to the member for Burnett.

**Mr BENNETT:** I refer to page 3 of the SDS. The Queensland Building Plan included a recommendation to change the licensing requirements so that only licensed roof plumbers can install metal roofing and cladding. Given the significant impact and loss of jobs that we believe this will cause to a number of Queensland minor and major roofing companies and the fact that the introduction of a similar requirement in Victoria has resulted in massive defects—there are eight times more roofing defects there than in Queensland—can you give us your current opinion on this policy position?

**Mr de BRENNI:** I think it is worth providing some context around that particular issue. The approach that I took to consultation around the Queensland Building Plan was threefold. Firstly, it was to make sure that it was genuinely comprehensive. That is why I personally took the time to meet with stakeholders in the building and construction sector across the state. Secondly, the reforms that I introduce have to continue to maintain productivity across the building and construction industry. That is very important. Thirdly, we have to maintain confidence in a number of different ways. If you are a roofer you need to have confidence that you have a job. If you are a builder you need to have confidence that there is going to be work coming. We put those three principles in place. I determined that confidence was key and that we needed to provide certainty to the industry.

I found upon coming to the role of Minister for Housing and Public Works that there had been successive governments that had conducted reviews and then failed to implement the recommendations of those reviews. I think what the building and construction industry wanted was some clarity and some outcomes and for the government to take the appropriate action.

I set to work on assessing the industry's posture in relation to the outcomes of various reviews and reports. There were proposed reforms to plumbing, proposed reforms to roofing, proposed reforms to certifiers. You have heard a lot from me about proposed reforms to security of payments. I mentioned it before. I wanted to ensure that we left no stone unturned if I was going to embark on that scale of process.

You questioned me before about funds expended on that process. We wanted to make sure that if we were going to go out and ask people to give us their views that we covered all of the bases. In doing that, I met with roofing contractors, steel suppliers and builders personally across the state. I heard varying points of view. Most recently, I met with the steel industry.

The government is forming a view. Those matters are before cabinet at the moment. I think that roofers and the steel industry are fairly comfortable with where they think we stand. When I introduce the appropriate reforms into parliament and release the findings of the Queensland building consultation then that will draw a line in sand in terms of where we all stand on that particular issue and across the other nine areas of proposed reform.

**Mr BENNETT:** So it is still to come? We cannot say that those reforms are a given. You gave a fairly long answer. Can we be clear, is it still to come? Are you telling me to wait until you introduce it?

**Mr de BRENNI:** Matters to be considered in the Queensland Building Plan are part of the cabinet process.

**Mr BENNETT:** I will move onto procurement services and reference the SDS at page 11 where it refers to the Queensland Audit Office's strategic report. The report has been around for a year. Can you advise the committee what the progress is in addressing one of the main findings that 16 out of 21 departments do not have a current agency procurement plan which the Queensland procurement policy requires? For the sake of clarity, I have an extract from that if the minister does not have a copy of it?

**CHAIR:** Does the minister have a copy of that?

**Mr de BRENNI:** I am happy to respond to that. When the Queensland Audit Office says that you have procurement wrong or it is not where it should be, I am not sure you have a leg to stand on. In September 2016, you are right, the Audit Office did release their report into strategic procurement. I read it with interest. That report, among others, says some pretty damning things about procurement. We are currently operating—not for much longer—under the procurement framework that was adopted by the LNP government, by the then treasurer, Tim Nicholls, and the then minister, Tim Mander. That is the procurement framework upon which the Queensland Audit Office conducted their assessment.

It tells us about the Procurement Transformation Division in the department of housing—how it came to be and what it was supposed to achieve. The policy of the previous government that this Audit Office refers to was expected to achieve up to \$1.3 billion in benefits. As you have pointed out and as the Audit Office report details extensively, that policy fails to meet the mark to any level of acceptability, like many others. It is another case of going too hard, too fast. The Audit Office report says that it was expected to deliver a procurement benefit of \$417 million in two financial years; it delivered only \$190 million. Clearly it was overly ambitious. It was poorly thought out. It is another case of overpromising and underdelivering by the government that was led by Tim from Clayfield.

**Mr BENNETT:** My question was: since you have been the minister for over a year, what have you done to address the 16 out of 19 that do not have a current policy? It is nice to keep reflecting backwards, but let us look forward.

**Mr de BRENNI:** It is nice to reflect backwards because it is important to see where you have come from and where you are going.

**Mr BENNETT:** You have been in government for three years, so just answer the question.

**CHAIR:** You asked the question. The minister will answer it.

**Mr de BRENNI:** Thank you, Chair. We are getting there. What have we done? We waited to receive the Queensland Audit Office report to properly assess and receive their guidance. If the Audit Office report is going to tell you what you ought to do, it is important that you read their report before you do it. We also conducted a review into that ourselves. We have been working on the delivery of reforms in procurement that will have significant outcomes for Queensland.

What have we done? We established the Procurement Industry Advisory Group. That consists of 14 peak bodies. Don't spill your water, members opposite, but there is a union representative on the Procurement Industry Advisory Group. We also have a small business champion. That group has met three times. Its role is to assist government in developing effective forward procurement pipelines and our procurement strategy and policy. It has been developing that. Perhaps if there had been some consultation with a representative body like that then the previous government's procurement strategy would not have been such an abject failure.

**Mr MOLHOEK:** I raise a point of order. The minister is still not addressing the direct question.

**CHAIR:** The minister can answer the question however he sees fit. I will ask the minister to keep relevant, though.

**Mr MOLHOEK:** Under the standing orders, the Speaker had ruled that ministers are not meant to be argumentative but rather answer questions.

**CHAIR:** The question was a little argumentative, too. I have asked the minister not to be argumentative. You do not have a point of order. Minister, could you continue to answer the question please or move on?

**Mr MOLHOEK:** We are happy to move on.

**Mr BENNETT:** Following on from the Auditor-General's report and the IDC that you established in 2015, for me it is a wonder, then, that staffing in Procurement Services has been cut from 111 in 2014-15 to just 59. I can give you the reference in the SDS if you want. Minister, that is 111 down to 59 under your watch. These are departmental figures. You cut the staff by half and now you are trying to blame everyone else for the damning Auditor-General's report.

**CHAIR:** Do you have a question?

**Mr BENNETT:** Minister, how do you seriously expect Procurement Services to function properly when you have slashed staff by half?

**Mr de BRENNI:** It is interesting and ironic that the member for Burnett asks about slashing staff. How many staff were slashed out of your office in Bundy? Forty per cent of them.

**Mr BENNETT:** You are the minister. Estimates is for you, mate.

**Mr de BRENNI:** I am happy to answer that question. Our approach to procurement that we are developing is agency led. We have custodianship of the procurement strategy and the procurement policy. It has been a decision of government that agencies should be responsible for their own procurement. You will note, though, that the overall level of staffing across the Department of Housing and Public Works has not suffered the tremendous slashing that it did under your government.

**Mr BENNETT:** You have cut them by half.

**CHAIR:** We will now move to the member for Dalrymple.

**Mr KNUTH:** Minister, last year at my request you reinstated the lawn-mowing and garden care vouchers to senior citizens in need in my area as a pilot program, titled Home Assist Secure, after the previous government cut this service. Can the minister please outline how successful the pilot program has been and will the minister be continuing this much needed service?

**Mr de BRENNI:** Thank you, member for Dalrymple. I thank you for bringing that matter to my attention and for your advocacy for seniors across North Queensland. We went to the Atherton Tablelands and visited a service provider with you. I had the opportunity to meet a couple of seniors who were benefiting from that service. I thank you for giving me that opportunity.

As the member for Dalrymple well knows, seniors in Queensland have a lot to offer our community, but we all know that as we get older it can become more and more difficult to attend to household chores, particularly as you become less agile and as your health needs change. Home Assist Secure, just for the benefit of the committee, provides safety related assistance to Queensland householders over the age of 60 and people with a disability. It is all designed critically around helping them to maintain their homes so they can continue to live in the place that they call home.

There are a number of elderly people I have met with who really do want to stay in their homes. It is the place where they have raised their children. They know their neighbours. They have built a garden and those sorts of things. We fund 42 organisations across the state to deliver those services. We inject about \$20 million. Its real value is helping people stay in their homes, as you have pointed out to me, member for Dalrymple.

Following our meeting at Atherton I visited a woman named Robyn Gallen at Waterford, in the Waterford electorate. She has been registered with Home Assist Secure since 2003. She was receiving electrical support, plumbing and other handyman jobs that meant that she could stay living in her home. She just could not do those jobs on her own. It was important for me to see and understand that it is not just Mrs Gallen who is benefiting from that. Her being able to stay in that community in Waterford West has meant that she can keep going to her local church and she can keep going to the Crestmead 40 Plus Club, staying involved in her community and in community activities. So immense was her contribution to her community that just before I met with her she was bestowed an Order of Australia medal. These are the sorts of people we are helping through Home Assist Secure. We believe in supporting people like Mrs Gallen. I know that you do, member for Dalrymple.

I want to turn specifically to the trial that you asked us to undertake in respect of mowing. We know that mowing can be quite a physical job, particularly as you get older. If you think about what are some of the toughest things to do as you get older, probably mowing the lawn is one of them. It sums up the benefit of this service. It is very physical, particularly in hot weather. You are combining elderly Queenslanders trying to do that physical task in hot weather. Reintroducing that service after it was cut under the previous government I think was very important, considering the trial.

Through the trial we have learned two things. First of all, we learned that those lawn-mowing services were well regarded in those communities. They are much utilised services. They were adopted quite well. The figures that I have been given are that 400 seniors access the services through the trial. The other thing we learned was that taking away the lawn-mowing assistance did nothing to cut costs. It actually increased costs for government overall, with people having to move into aged care or to other places.

Member for Dalrymple, I want to confirm and advise the committee that we will continue to provide those services in those communities where we conducted the trial. I want to thank you not just for what you have done in bringing that to my attention but also on behalf of people like Mrs Gallen. I also want to confirm that not only will we continue that program in those trial areas but also we will now, from today, extend the lawn-mowing service across the state. It will allow people like Mrs Gallen and your constituents to continue to live, volunteer and participate in the community that they have built and that they love. We have done that on the basis of your advocacy and on the basis that we respect seniors in our community. We want to support them to live as comfortably as they can for as long as they live. Thank you, member for Dalrymple.

**Mr KNUTH:** That is very good. Thanks, Minister. I refer to the service summary on page 35 of the SDS and the significant reforms implemented to the Queensland Home Warranty Scheme by the QBCC. Minister, on 1 July 2017, fees for the Home Warranty Scheme premiums were increased for painting contractors to pass on the charges to homeowners due to a number of factors causing the premiums to increase. Can the minister supply the claims and the cost of these claims that have been made involving painting contractors over the last 10 months which were used to calculate the increase in premiums for the Home Warranty Scheme?

**Mr de BRENNI:** Thank you, member for Dalrymple. Before I answer that question, I said that there were 42 providers of Home Assist Secure. The number is actually 41. I want to correct the record on that.

I do want the Queensland Building and Construction Commissioner to approach the table to take on board that question of numbers in terms of the Home Warranty Scheme and painting contractors. Before he does that, I want to provide a little bit of background to that question and the commissioner can provide those numbers. This was brought to my attention in a question that was tabled in parliament back in May, member for Dalrymple. I want to provide some information to the committee around that.

The public liability and Home Warranty Scheme are two separate insurances that cover two separate matters for licensees. As you know, and as I mentioned before, the Home Warranty Scheme provides the support for homeowners. You have asked about the issues with the level of cover up to \$200,000. I want to reassure you that the insurance premiums that you pay are commensurate with the cost of the job that you do. For example, if a painter was to quote a \$4,000 job, you would only have to pay an insurance amount of \$197. You can find that information by jumping on the QBCC website, and I will give the commissioner the call in a moment, with your indulgence, Chair.

What has become clear to me in respect of the Home Warranty Scheme for painters, in particular, is that there is a lack of clarity around the requirements. We want to make sure when those contractors go to work and they are talking with home owners about jobs that exceed \$3,300—if it is under \$3,300 there is no issue about home warranty—that people are clear. That is why I am announcing today that the QBCC will conduct a direct mail campaign to licensed painters to help clarify some of those questions they have around their various warranty obligations and public liability obligations. That campaign will kick off on 1 August. I will ensure that your office has a copy of the material that is sent out. I might ask the commissioner to provide some further detail.

**Mr Bassett:** Could I ask the member to repeat the specific question that he would like me to provide further detail on?

**Mr KNUTH:** On 1 July 2017 fees for the Home Warranty Scheme premiums were increased for painting contractors to pass on the charges to home owners due to a number of factors causing the premiums to increase. The question is: can the minister supply the claims and the cost of these claims that have been made involving painting contractors over the last 10 months which were used to calculate the increase of the premiums for the Home Warranty Scheme?

**Mr Bassett:** I thank the member for the question. In respect of the premiums that are payable through the home warranty insurance scheme, those premiums are calculated based on actuarial principles. I do not have the specific details as to how those policy amounts are calculated, but they are calculated on actuarial sustainable principles.

**Mr de BRENNI:** Maybe I can clarify: I believe there was a CPI increase.

**Mr Bassett:** That is correct, Minister.

**Mr de BRENNI:** There was an annual indexation. Perhaps, member for Dalrymple, if the premiums went up and a painter approached you and said, 'Why have my premiums gone up? Has there been a spate of payouts?', that is not the case. There was a 3.5 per cent increase across-the-board which is the standard government indexation. Perhaps that explains the increase.

**Mr Bassett:** The 3.5 per cent increase that the minister has pointed out is as a result of the actuarial calculations that were put forward through the home warranty insurance scheme.

**CHAIR:** Are you fine with that, member for Dalrymple?

**Mr KNUTH:** Yes.

**Mr MOLHOEK:** I am hoping the minister could enlighten me, and I am hoping I will not get another sales pitch on the Queensland Housing Strategy—

**Mr de BRENNI:** Don't tempt me.



**Mr MOLHOEK:** When I look at the Capital Statement for this year and past years, the investment in construction, grants and land acquisitions has typically been around \$450 million to \$500 million a year but the 10-year strategy is for \$1.8 billion, although the document says \$1.6 in one spot and \$1.8 in another. My question simply is: is my maths off? If I multiply half a billion a year by 10, that is five billion. It appears to me on the surface that the Housing Strategy is a significant reduction in spending over the next 10 years, because \$1.8 billion divided by 10 is \$180 million.

**CHAIR:** Is there a question?

**Mr MOLHOEK:** The question simply is: does the Housing Strategy mean that you will be spending \$300 million a year less than has been spent this year and in the previous three or four years?

**Mr de BRENNI:** No, it does not mean that.

**Mr MOLHOEK:** That is how it appears. Can you explain that?

**Mr de BRENNI:** It does not mean that. It is a significant increase in the level of expenditure.

**Mr MOLHOEK:** Can you explain in a little more detail what that \$1.8 billion in the Housing Strategy is?

**Mr de BRENNI:** \$1.6 billion of it is new money—an increase over the current effort.

**Mr MOLHOEK:** If this year's budget is half a billion we would expect that next year's budget will be more like \$680 million?

**Mr de BRENNI:** The forward budget is the forward budget that has been established with additional money. The way that the accounts have been represented in terms of capital in the past will be increased by \$1.6 billion for capital over the period of 10 years to deliver the Housing Construction Jobs Program.

**Mr MOLHOEK:** This is effectively a \$1.8 billion increase over this rolling program; correct?

**Mr de BRENNI:** No, they are the same thing.

**Mr MOLHOEK:** That is \$500 million this year and this is saying \$180 million next year so that is a reduction of \$320 million. I am struggling with the maths.

**CHAIR:** Do you have a question?

**Mr MOLHOEK:** That is the question.

**CHAIR:** I did not hear the question.

**Mr de BRENNI:** The answer is that it is the total versus the new.

**Mr MOLHOEK:** So this is new spending in addition to the ongoing program?

**Mr de BRENNI:** Yes. There is \$1.6 billion in additional spending on the Housing Construction Jobs Program over the next 10 years.

**Mr MOLHOEK:** Director-General, why are there two figures? One is \$1.6 and one is \$1.8.

**Ms Carroll:** The \$1.6 billion is the capital component of the Housing Strategy. The other funds are not specifically set aside for the capital, so that is the difference between those two figures. In terms of the question about what might be in the Capital Statement this year and into future years, it is not a split of the \$1.6 billion equally over the 10 years. I think the program is described in some of the documents as how much might be spent over five years versus over 10 years. As you would be aware, with construction there is a ramp-up phase. We have been out to expression of interest at the moment. In the 2017-18 financial year the additional spending will come towards the end of that financial year. You will see changes as you go forward in that rolling program for the expenditure of the \$1.6 billion.

**Mr MOLHOEK:** What you are saying is that the money foreshadowed is essentially new money on top of the rolling program notwithstanding timing differences?

**Ms Carroll:** On top of the existing budget, and that is what is identified in the budget papers—the additional money on top of the existing budget.

**CHAIR:** The minister explained that five minutes ago.

**Mr MOLHOEK:** It was not very clear to me.

**Mr WHITING:** My question is to the minister. Can the minister please update the committee on the implementation of the government's new nation-leading smoke alarm laws in public housing?

**Mr de BRENNI:** I thank the member for the question. There is clearly a significant amount of interest in the community at the moment around fire safety and buildings for obvious reasons. For a long time Queensland has had some of the strongest fire regulations in the country. Members would

have heard me in public commentary over the last few weeks in particular express my view that Queensland Fire and Emergency Services is clearly the best in Australia but arguably one of the most outstanding in the world.

Some will be familiar with the tragedy that occurred in my community of Logan with the Slacks Creek fire in 2011. That implored all of us as policymakers and legislators to make the system that we have in Queensland for the protection of householders even stronger. I have no doubt that the laws we passed earlier this year will prevent further tragedies from occurring.

Our introduction of photoelectric interconnected smoke alarms sets the gold standard in lifesaving technology in respect of house fires. One of the big dangers in house fires is the inhalation of toxic fumes while you are sleeping and by the time you wake up, if you do, it can often be far too late. The interconnection of photoelectric alarms gives Queenslanders who find themselves in that unfortunate situation—let us hope very few of us ever do—the best chance of an early warning and an effective escape from a dangerous fire event.

The Department of Housing and Public Works is the largest landlord in the state, as many of you will know, which is why we have set aside \$73 million for the installation of smoke alarms. They will go into 65,000 properties that we own across the state. That is going to be a huge job. That will see almost 300,000 new smoke alarms being installed across our housing portfolios. As members will recall, our nation-leading laws in this respect will require residential homes to have an interconnected alarm in all of the bedrooms ensuring that, if an alarm goes off in the parents room, it goes off in the kids room as well. When one alarm sounds, they all sound.

While the laws will be phased in over 10 years, I have been very keen to see the Department of Housing and Public Works take the lead and kickstart the market for photoelectric alarms. I thought that was an important part of our strategy. In doing that, I announce today that we are opening the tender for a standing offer arrangement for the supply of those many hundreds of thousands of new photoelectric smoke alarms on all of our properties. This will happen in coming days and it will be followed by a standing offer arrangement on installation for the alarms that will be released shortly after. That will follow detailed consultation with industry stakeholders to make sure we get that installation piece right.

I think these are fantastic opportunities for small local businesses that operate in the electrical space, such as electrical contractors, to get involved in the delivery of this new smoke alarm regime across the state. I encourage all members here today to reach out to those electrical contractors in your neighbourhood and let them know that we will have a significant program rolling out very soon. Chair, you would be very familiar with the important work of electricians in our community. We want to ensure that the rollout of this plays its part and does the heavy lifting in terms of supporting local jobs, particularly in regional communities in particular including places like Far North Queensland and the Whitsundays.

We will be focusing our firms on the delivery of this based within 70 kilometres of the installation. You cannot get much more local than that, particularly when it comes to regional Queensland. That is an important step. The member for Dalrymple has had to step out for a moment, but if a smoke alarm is getting installed in Charters Towers it should mean that an electrical contractor from Charters Towers does that work. If it is in Atherton, it should mean that it is in Atherton. It is likely that Queensland will be the largest purchaser of these new smoke alarms in the country. We will roll out, first of all, in public housing. That is important because we will not only help develop the market for photoelectric smoke alarms which will bring down price and competition over time but also ensure the most vulnerable in our community get the protections that they need first and foremost.

We will be ensuring that in every community in the state there are electricians and electrical contractors with experience in installing the new alarms. We want to make sure that the rollout happens safely and effectively. We estimate that it will lead to the delivery of 220 full-time jobs. That is good news for many regional communities. As I said, the implementation of a statewide SOA will see smoke alarms in select areas getting installed in the next month or two and the full rollout is anticipated to begin in early 2018.

Before I conclude my answer, I want to pay a small tribute to my community of Logan for the way it responded to the Slacks Creek tragedy back in 2011. As committee members would know, 11 members of the same family perished in that terrible fire. One of my best mates who is a firefighter spent many hours pointing a hose at venting gas bottles there. That is a day at work he will never forget. Since then, Logan has absolutely pulled together to support one another, and groups like the Logan House Fire Support Network have provided support for countless families across that region who have

experienced the unfortunate circumstance of a house fire. Can I just take the opportunity to acknowledge the leader of that organisation, Louie Naumovski, whose tireless advocacy has been a catalyst for these new laws that will save lives in this state. I also want to again commend the men and women of Queensland Fire and Emergency Services for their dedication, their service and their bravery.

**Mr WHITING:** Minister, with reference to page 8 of the Department of Housing and Public Works SDS, can you outline what work is being done with the Australian government, states and territories, industry and relevant regulators to address the issues relating to nonconforming building products?

**Mr de BRENNI:** I thank the member for Murrumba for that contemporary question about nonconforming building products. I will ensure that I do not stray into the bill that is before the House.

**CHAIR:** Thank you.

**Mr de BRENNI:** The issue of nonconforming building products is one that is being addressed by our audit task force at the moment. There are a number of products that are posing a risk in buildings across the nation, and we have been leading the charge here in Queensland for how we respond to those. I said that in my answer earlier.

I want to preface my answer with this: it would make tackling this issue a lot easier if the federal government did something to stop these sorts of products entering the country at the border. In all of my discussions with the Commonwealth, they have indicated an unwillingness to properly resource or focus border security on these issues whatsoever. The Turnbull government should be ashamed of this. Just across the road on the construction of 1 William Street, we saw asbestos-containing material ending up on a Queensland construction site. One has to ask how that can possibly happen in this day and age. We have seen billions and billions of dollars being spent on trying to prevent refugees getting here, but nothing is spent to stop asbestos related products coming into the country. That should not have happened. It is a banned product, and I can see that committee members one and all are pretty shocked by that.

With lack of any leadership from the Commonwealth on this, Queensland has led the charge. Through the Building Ministers Forum, we have pushed for the development of a national nonconforming product action plan. For the first time in Australia's history, two weeks ago here in Brisbane we brought together representatives of the entire building supply chain when we held the first ever supply chain summit. I want to congratulate the Queensland Building and Construction Commissioner, who is here, who hosted the first national meeting of the national building regulators forum to consider this issue. We have also had the audit task force convening meetings of all audit groups across the country to share intelligence.

We are taking a sophisticated approach to this and one of real leadership. I am very proud of the leadership that has been shown by Queensland and the Queensland Building and Construction Commission. I am very proud of the work that is being done by the Department of Housing and Public Works in addressing those issues. Of course, there is still much to be done. I am going to continue to work with my ministerial colleagues across other states, territories and the Commonwealth to deliver the most robust possible regime that we can to eliminate nonconforming building products from Queensland.

Again, I want to indicate that a lack of national action will not stop us from doing everything that we can as a state to uphold confidence in the building and construction industry, uphold investor confidence and uphold householders' confidence in the safety of their buildings. It is important we do that because of the 200,000 people who are employed in the industry.

**Ms PEASE:** Minister, I refer to page 3 of the SDS and the Queensland Housing Strategy and the first action plan. Can you please inform the committee of the government's commitment to tenant engagement and share some of your experiences of the My Home Awards for gardens?

**Mr de BRENNI:** I thank the member for the question. The government that I am a member of—from the Premier through to every member of her caucus team and everybody who works with our government—is 100 per cent committed to tenant engagement. I know that you are, member for Lytton. In fact, the My Home Awards was one of the first items the Premier raised with me when I became Minister for Housing and Public Works, and she is at me for updates on where it is at on a pretty regular basis. I am surprised that the My Home Awards were not listed in my charter letter amongst some of these other important matters.

I was very proud and very pleased to have the opportunity to reintroduce the My Home Awards after they were cut. It was surprising to be so ruthless as to cut something like the My Home Awards. The member asked me to share my experiences. Those of you who have been a part of the My Home

Awards would know that they are moments of great joy. It is one of the great things about being the Minister for Housing, because the pride that people take in the homes that are provided to them by this government is truly amazing. I have seen some amazing gardens. We have seen fully fledged backyards. We have seen succulents on patios in unit complexes. The important thing is that they bring those people real joy. They make it their own home and they take care of it. They bring neighbours together in complexes to have a chat. To see the genuine satisfaction of the winners of those is quite rewarding for me as a minister. We have seen eight-year-olds win a My Home Award right through to people in their 80s.

I want to tell a story, if I can, with your indulgence, Chair, about a gentleman and his son whom I met on the Sunshine Coast. He was telling me about his wife who was the stalwart of the garden. They had lived in this home for some time near a canal. Through tears, he was telling me how she had passed away just a couple of days before the awards took place, but he still came along to the Housing Service Centre up at Maroochydore and he brought his son. They were both still in terrible mourning; this was literally days after she had passed away. His son took time off from being a soldier to come, so that his dad could accept the award on behalf of his wife. There are very few words that can go anywhere near describing the feeling of being able to give someone just a very, very simple and not costly award in a moment like that, because it clearly meant so much to them as a family.

Chair, you and I visited a winner in your neck of the woods. We went and saw Lee and Michelle. Lee and Michelle are a couple with huge hearts up in your neck of the woods. They open their home to foster-children, some of whom—

**Mr MOLHOEK:** Point of order, Mr Chair. I do not want to be seen to be mean-spirited, but this has nothing to do with the budget.

**CHAIR:** The My Home Awards are part of the budget. There is no point of order.

**Mr MOLHOEK:** I think that is a longbow, Mr Chair.

**CHAIR:** Please continue, Minister.

**Mr de BRENNI:** I will be brief in my conclusion, then.

**Mr MOLHOEK:** Can the minister tell us how much we spend on the My Home Awards, to make it relevant?

**CHAIR:** Can you please stop. There is absolutely no point of order there. That is outrageous. Please continue, Minister.

**Mr MOLHOEK:** Mr Chair, under section 118 of the standing orders—and the Speaker has stressed this repeatedly—

**CHAIR:** I have told you there is no point of order. Are you dissenting?

**Mr MOLHOEK:** We have given the minister a lot of latitude.

**CHAIR:** Are you dissenting?

**Mr MOLHOEK:** No, I will not dissent, but it would be great if the minister could talk about the budget.

**CHAIR:** We have had a bit of not talking about the budget from your side that I have let you get away with today as well. Please continue, Minister.

**Mr de BRENNI:** It is part of the budget because we did reintroduce it after it was cut. I am very pleased to announce that the 2017 My Home Garden Awards will soon open for entry. Details will be available on the HPW website very soon. I want to inform members of the committee so you can inform your constituents, because I know that the awards are special to a lot of you. Many of you have attended the awards. They did not seem disinteresting or to be lacking relevance when many of you attended the awards and had some photos taken. Everyone is always there for the cake but they do not want to hear about it in this setting. That is fine, but I look forward to seeing you celebrating the awards with us in your region. I thank you for the opportunity to announce that they will be open in coming days.

**CHAIR:** Thank you, Minister. I remember that visit with Chris and Michelle. It was quite special.

**Mrs MILLER:** Minister, I refer to the company Batir, which went into liquidation, and also the subcontractors who have not been paid. I am not an expert in this area by any reasonable assumption, but the subcontractors have told me that they have completed some projects and they have sought back their cash retentions, which are held because there might be defects in the buildings. The contractors have sought to recover their cash retentions, but the way I understand it the department has advised that it intends to retain the money on account against additional costs of completing current projects.

My question is: if the department is proposing new legislation to establish project bank accounts to ensure that moneys cannot be redirected from one job to another job, how can the department do exactly the same thing internally by retaining retentions on jobs already done and then moving that money from one job to another job internally? Does that make sense? You can take it on notice if you need to.

**Mr de BRENNI:** No, that is okay. I will not chip anyone for repetition and I understand the question. It is entirely as you describe it. The system of security of payments in the suite of reforms that we intend to bring will apply in the first instance to the Queensland government. From 1 January 2018 we will impose upon the Queensland government the operation of project bank accounts. Whilst I cannot speak in relation to that specific one, we have a significant capital program with literally thousands of projects. If there is retention money that has been—

**Mrs MILLER:** Yes, it is the retention money.

**Mr de BRENNI:** If retention money has been held, retention money is ordinarily held from what is usually deemed to be practical completion date of a project for 12 months to enable the rectification of works by a subcontractor. We recognise that, in many cases across the building and construction industry, retention moneys never actually get paid. A lot of subcontractors put a premium on their tender offers to builders and to the Queensland government because they assume what might sound like an isolated case has actually become industry practice. When I have asked someone who is working as a subbie, 'Do you get your retentions?' I reckon 99 times out of 100 people have said, 'No, you never get to see your retentions.' It is treated as a cash supplement by many builders that they can go and spend on other projects.

Our new reforms will address that situation. If there is a concern with particular subcontractors in relation to a builder that I understand is no longer working for the Queensland government and there is retention money being held by us, it should only be held for the purpose of those rectifications. If the end of the defects liability period has been reached, then I will ensure that we make the appropriate arrangements for retention moneys to be paid out, because we want to ensure that we set the appropriate example. In terms of the specific case, I am happy to come back to the member for Bundamba with some specific advice about that. I know that our department has been working quite closely with those subcontractors to address those issues.

**CHAIR:** Is that on notice or are you going to have a meeting afterwards?

**Mrs MILLER:** I would like to give the minister the name of the contractor concerned and then you can deal with it internally.

**CHAIR:** We will do that offline.

**Mrs MILLER:** We will do that offline.

**Mr de BRENNI:** I am very happy to address that issue. A small contractor might employ two or three other people. These are exactly the small businesses that we want to have confidence can go and employ someone. They want to know that they are going to get paid. It is a basic principle: if you do the work, you should get paid. It has become a feature of the building and construction industry that that is not something you can rely on. That is why we are introducing those reforms; it is in that vein. I am very happy to address that with the subbie that you have mentioned.

**Mr BENNETT:** I thank the member for Bundamba for getting an answer to this same issue that I wish to raise. It is great that that subbie now will have his issue looked into. On another issue, I refer the minister to the collapse of Rowlo, the main contractor supplying garage doors to Hervey Bay State High School. These are small family operators, Glen and Helen Harney of Good Look Doors. They have raised the issue with your office a number of times as has the member for Hervey Bay, Ted Sorenson, to get a direct response. However, we have been advised that that is not the case. I ask that you undertake to further discuss the issues about the Harneys and the subcontractors and the work that is to happen at Hervey Bay State High School. This is all about security of payments. This is within the department. All these subcontractors are asking for is correspondence from your department.

**CHAIR:** Is this to do with the budget?

**Mr BENNETT:** It is in reference to page 3 of the SDS. I thought we established that earlier, Mr Chair. That is my oversight. If you would like to give the committee an undertaking to have a look at that on notice, I think that would be welcome for those subcontractors at Good Look Doors, Hervey Bay.

**Mr de BRENNI:** I am not sure it is a question. I think you are advocating. I seek to address something through you, Mr Chair. The SDS, related to the budget, talks about us delivering a suite of measures to address issues of security of payment. It does not indicate that there is going to be funds applied to managing a list of advocacy concerns that the member for Burnett wishes to bring to us. Having said that, in all cases where small businesses in Queensland have approached my office, they have been appropriately responded to. If there is a circumstance where one of them feels they have not been, then I will absolutely look into that. However, I am not going to oblige myself to take on notice an advocacy issue. If there is a matter that a constituent of yours has, member for Burnett, that you are concerned about—

**Mr BENNETT:** There are plenty out there.

**Mr de BRENNI:**—then you ought to write to me. There are plenty of subcontractors out there who are concerned about whether or not they are getting paid. Predominantly they are concerned about whether or not they are getting paid because of the cultural issues that have been allowed to creep into this industry.

**Mr BENNETT:** Thank you for taking that on. Is that a commitment to look into that for us? Is that what you said?

**CHAIR:** I believe he said you are right to bring it up with him.

**Mr BENNETT:** You have had this, though, since February. That was the question. They believe they have not had a response from your office. My question was: will you undertake to provide that response?

**Mr de BRENNI:** If there has been correspondence with my office, I will ensure that it is being responded to.

**Mr BENNETT:** Thank you.

**Mr de BRENNI:** However, if you have correspondence, perhaps you could resend it and we could address it that way.

**Mr BENNETT:** Sure. Minister, I return to the procurement area that we touched on earlier. As you know the Palaszczuk government created the interdepartmental committee—IDC—in June 2015, over two years ago, which was an election commitment as we recall. Can the minister provide an update on the progress of the reforms in light of the Auditor-General's report which included the assessment that—

DHPW is not best positioned to coordinate whole-of-government procurement in Queensland ... It does not have the organisational authority or capacity to set policies for procurement processes, or to monitor and enforce them. Nor can it direct or otherwise strongly influence the design of finance and procurement systems used by departments ...

My question is: what would be your response to that Auditor-General's assessment?

**Mr de BRENNI:** I gave a fairly detailed response to the Auditor-General's assessment earlier. I indicated that the Auditor-General's assessment was quite damning of the policy that was introduced by the government led by the member for Clayfield when he was the Treasurer. Obviously, we are responding to the concerns raised by the Auditor-General's report. We are implementing our procurement reforms. In terms of what agency it sits with, that is a matter for the government. Should the government seek to inform the member for Burnett of a decision about that at some stage, I am sure we will do so.

**Mr BENNETT:** Further to that, there were a lot of recommendations in that same report. Minister, considering you have had it for over a year now, you have had the interdepartmental committee for over two years and you have nearly been in government for three years, can you advise the committee specifically regarding the six recommendations on page 7 of that report?

**Mr de BRENNI:** I do not have the report in front of me, so I am not going to be able to do that. I did outline in a previous question the reforms that we are introducing. I am happy to labour the point with the committee if the chair would like me to. If the member for Burnett is seeking something in particular, maybe he could ask a particular question—

**Mr BENNETT:** What have you done to address the Auditor-General's report that has been around now for a significant amount of time?

**Mr de BRENNI:** I will lead you through the points that I made earlier and I will—

**Mr BENNETT:** I do not need you to repeat it because it did not answer the question.

**Mr de BRENNI:** I can talk about the abject failure of your policy and talk about the reforms that we are introducing to the extent that I can.

**CHAIR:** Member for Burnett, you asked a question earlier which the minister answered in great detail. You asked, 'What are you doing?' He is changing the policy from the policy settings—

**Mr BENNETT:** So there will be no details today? That is fine.

**CHAIR:** No, I will not accept that.

**Mr BENNETT:** Can he provide details of the changes then, Mr Chair?

**CHAIR:** Can you ask the minister that?

**Mr MOLHOEK:** Can you take the question on notice?

**Mr de BRENNI:** We have 20 minutes left. I can absorb that 20 minutes and—

**Mr BENNETT:** You have done well today.

**CHAIR:** Can you make it brief, Minister, because we would like to ask some questions.

**Mr de BRENNI:** The member for Whitsunday might object.

**Mr Costigan** interjected.

**Mr BENNETT:** Can we have some of the changes that have been implemented since the Auditor-General's report through your government?

**CHAIR:** Could you give us—

**Mr de BRENNI:** Do you want all of them or some of them?

**CHAIR:** Some of them.

**Mr BENNETT:** Just give us some, highlights perhaps. Remember there were six recommendations that I referred to—

**CHAIR:** Thank you. You have asked the question.

**Mr BENNETT:** I was trying to help.

**Mr de BRENNI:** Maybe I will jump to recommendation 4. It says—

We recommend that the Office of the Chief Advisor Procurement collaborates with government departments to:

...

4. improve procurement capability in the public sector as part of its current program, and:

- review, and agree with departments, the technical competency framework so that it includes all the skills a procurement professional needs to be effective, like data analytics and benefits realisation

I will give you a progress and achievement update. We have a working draft of a procurement professional accreditation framework that has been developed in consultation with agencies and it has progressed to a proof of concept phase. The national procurement competency standard has been adopted as the standard to address the QAO's concerns around a technical competency framework. A development of procurement capability development strategy has commenced. I am advised that we have conducted over a thousand training sessions with our procurement staff.

Mr Chair, if there is something in particular that the member for Burnett is fishing for, he might help us all and save the member for Whitsunday complaining if he points out what exactly it is he is looking for.

**Mr MOLHOEK:** Go to the next question.

**CHAIR:** We will go to the member for Southport.

**Mr MOLHOEK:** I refer the minister to pages 66, 67 and 68 of the Capital Statement, which is Budget Paper No. 3. I simply ask: could the minister explain why the level of spending in Cairns and Townsville is so high when compared with the Gold Coast and the minister's own electorate in terms of new construction, land, upgrades and capital grants? Cairns, for example, is about \$160 million, Townsville \$45 million, Gold Coast \$8 million and Logan, the minister's own area, \$3.9 million. How were those figures arrived at?

**CHAIR:** We got the preamble and the question.

**Mr de BRENNI:** I thank the member for Southport for the question. Clearly, we have made decisions about the construction of employee housing around what is the need for social housing. I just want to point to why that is so important. I spoke earlier about Queensland's leadership on a national level on a range of matters, but particularly Queensland's leadership in the delivery of housing based on need. Recently the Productivity Commission released its figures and its assessment through the report on government services. I just want to report on some of the effectiveness indicators in that.

Queensland far outstrips any eastern seaboard state in terms of the provision of housing to those most in need. In fact, Queensland delivers 95.9 per cent of our housing allocations to those in greatest need. Victoria is down at 82 per cent and New South Wales is down at 48 per cent. In addition to that, I want to alert the member for Southport and other members of the committee to what is contained in those figures that you have pointed to, and you are looking for why they are outliers compared to some of the other locations. It is a standard question and I will address that.

**Mr MOLHOEK:** It is more of a clarification as to why there is so much money there and so little in the south-east.

**Mr de BRENNI:** Why do they look like outliers? In respect of those figures, this agency also performs two other extraordinarily important tasks beyond the delivery of social housing, or public housing as most people in the state would recognise it as. We deliver remote housing through the National Partnership Agreement on Remote Indigenous Housing through this agency. That program is a very significant one. As you would be aware, the need in remote Aboriginal communities is quite significant and the cost of building in those remote communities can be quite high at times as well. We do a good job, though, in making sure that people employed in that program are local and Aboriginal and Torres Strait Islanders themselves.

In addition to that, we also have an important responsibility in the delivery of government employee housing. That ensures that front-line service workers in regional Queensland, be they nurses, teachers or police, are provided with housing that is commensurate with their dedication of service to the state and the people of Queensland. In respect of pages 66 and onwards in the SDS, those figures incorporate social housing, government employee housing and remote housing.

**Mr MOLHOEK:** I would point out that the figure I was referring to related to general construction and not employee housing.

**Mr BENNETT:** Minister, I refer to page 3 of the SDS. Referring to the Working for Queensland survey and the apparent crisis, can you advise what is going on? Minister, how much responsibility do you take for a six per cent fall in the degree of integrity, leadership and behaviour of management?

**CHAIR:** That is a hypothetical question, asking the minister about a crisis, how much responsibility and that sort of thing, but I will allow the question.

**Mr BENNETT:** I will table that if the minister does not have a copy. I am referring to the 2016 survey, which clearly shows some significant issues in your department. I was offering you a chance to comment.

**Mr de BRENNI:** I do not have a comment to make. We value our staff. I take the opportunity again to congratulate them on the work they do and the dedication they show. We look forward to continuing to support the work they do, often in very difficult circumstances.

**Mr McEACHAN:** Some of them do not share that.

**Mr WHITING:** I can vouch for the hard work of the staff in our area of the department. They are invaluable. This touches on the last two questions. I refer to page 3 of the SDS. Can the minister advise the committee about the capital maintenance and upgrade program to government employee housing and outline how it supports front-line staff?

**Mr de BRENNI:** This gives me an opportunity to reiterate the value that we place on those people who work in regional communities. There are a couple of members here from regional Queensland, and I am sure they recognise that government employee housing in their communities does two very important things: it makes sure that those front-line services continue to be delivered; and, if we do it right, it creates jobs in those communities. We will never shy away from our obligation to support those workers who supply those vital services across the state, no matter what that service is. Whether they are a nurse or a police officer, a teacher or a firefighter—whatever they may be in those communities—we will continue to back them and we will continue to support them because we know that they make our state a greater place to live. They make it a safer place to live, a smarter place to live and a more prosperous place to live. We also know that when a government employee comes to that town, through the offer of housing they often bring one or several family members with them, and bringing those people into those communities and keeping them in those communities supports those communities, many of which are doing it pretty tough. The economic impact of government employee housing and our program of investing in it cannot be overstated.

In terms of our commitment to public servants, the numbers speak very much for themselves, member for Murrumba. We will spend \$168.5 million over the next four years. Some \$82.7 million will see the acquisition or construction of 113 new residences in locations where they are needed. That



housing will be a mix of 1-, 2-, 3-, 4- and even 5-bedroom properties to better align with the accommodation needs of everyone, from a police officer in his first posting to a family of teachers with three or four kids. As I said in response to an earlier question, construction will be undertaken where possible with support from local builders and local subcontracts. We will absolutely give preference to businesses that are local to those regional communities. We will also spend \$40.2 million to address capital upgrades and improvements. Importantly, those works will include things like bathrooms, kitchens, laundries, ceiling fans, additional cupboards, storage, fencing and internal works. That will build on the \$23 million investment in our ongoing maintenance program and ensure that we keep skilled professionals living in those remote communities.

There are probably very few places considered more remote than Aurukun, and we have previously committed \$29 million to government employee housing in that region. I am very pleased that the construction process in Aurukun has gone to a Queensland company called Bryant Queensland. I can advise the committee that they have more than 30 years experience in remote Indigenous communities, particularly in Far North Queensland. In 2010 they established an Indigenous partnership team to ensure that work is undertaken in a culturally appropriate way. This goes to show the level of sophistication that goes along with the dollars in this program.

**Mr COSTIGAN:** Where is this company based?

**Mr de BRENNI:** I understand that the company is based in Queensland.

**Mr COSTIGAN:** You are not sure where?

**Mr de BRENNI:** I do not have their postal address. I am advised they are in Cairns. That project will not only provide housing for government employees; it will also support 150 jobs in the Aurukun community over the next two years. Importantly, member for Whitsunday, it will employ seven apprentices—so that is a good outcome—while construction is underway and it will also build up trade skills levels in that community. I visited that community and saw other local apprentices working on government public housing there, and they will be able to continue to pick up work in that neighbourhood.

We will also construct new homes in Cook, Gregory, Callide, the new electorate of Traeger and Townsville. That will provide housing for Queensland Health, Department of Education and Training, Queensland Ambulance Service, Corrective Services and of course the hardworking staff of our very own Department of Housing and Public Works in remote communities. We are pretty proud of that contribution and that investment under this budget to government employee housing, and I am proud of it because those workers deserve respect and they deserve security, and the Palaszczuk government will continue to give them both.

**Ms PEASE:** I would also like to acknowledge the great work of all departmental staff, particularly down my way. They do an outstanding job looking after the constituents of Lytton. I refer to page 18 of the SDS and the National Partnership on Remote Indigenous Housing. Minister, how is the government engaging with Aboriginal and Torres Strait Islander councils to deliver better housing outcomes?

**Mr de BRENNI:** The National Partnership Agreement on Remote Indigenous Housing is a very important one as well. I would indicate that, in accordance with the Report on Government Services, Queensland is the lead state on the eastern seaboard again in terms of providing housing that is of an acceptable standard. I want to congratulate our staff and construction and maintenance partners for helping Queensland achieve that outstanding result.

I welcome the opportunity to talk about the national partnership agreement on remote housing and our commitment to work with councils towards better social and economic outcomes through this program. The committee heard that I have provided advice on a previous question on notice with regard to explaining our performance against delivery targets. I want to take a few moments and outline some of the key outcomes of that program.

Firstly, our government has successfully achieved all of the NPARIH targets and exceeded all of the Australian government's benchmarks. Property and tenancy management in remote communities continues to improve, with condition inspections completed for 68 per cent of NPARIH properties that are managed by the department. Ninety-eight per cent of our properties are rated as being in fair to good condition, and that is why we have a good outcome in the Report on Government Services.

In 2016-17 our government and Aboriginal and Torres Strait Islander councils commenced building an additional 233 homes in remote communities, 95 of which have been delivered. Local Aboriginal and Torres Strait Islander businesses are also thriving, with 92 per cent of all tendered contracts for delivery being awarded to them. That is an extraordinary outcome and I again want to

congratulate department staff. Eighty-one per cent of all repairs and maintenance that lead to us getting that great outcome under the Report on Government Services have also been completed by Indigenous businesses, which is another stellar outcome.

I know that the mayors of the 16 Aboriginal and Torres Strait Islander councils are very keen to continue their work with us, as they look on this as an opportunity to capitalise on not only economic growth but also the social and community development that comes with having a consistent program of job creation in their neighbourhoods. I met with them in Cairns earlier this year and we talked in some detail about the progress we have been making. They told me that there is nothing more important than continuing this employment program because of its important contribution to health, employment and education opportunities, so those dollars in this year's budget are significant to continuing to help us meet our obligations under the Closing the Gap targets.

We recognise that more housing is needed in remote communities, and the mayors in Cherbourg, Yarrabah and Torres Strait council have been clear with me—and I agree with them—that they should be included as remote communities. They are excluded at the moment, and I want them included in any future partnership agreement with the Commonwealth. The opportunities in those communities would be the same as in any other Aboriginal and Torres Strait Islander community if we were able to establish an ongoing job-creating housing construction program.

The government is committed to Aboriginal and Torres Strait Islander councils that will do something very, very significant. One of the things they raised with me in Cairns was in relation to delays in seeing construction being delivered, so we have cut the time it takes to approve new housing construction in these communities by a whopping 16 weeks.

What I also committed to the mayors at that time was that Queensland will not be silent, particularly when it comes to the issue of future funding for remote housing delivery. In the federal budget, which flows money into this program, we see that there is a funding cliff for remote Indigenous housing as at 30 June 2018. It should not have been difficult to get the federal minister to commit to continuing that program. I think he does understand that Queensland's performance is the best in the country. I think he does understand that Queensland's contribution to the delivery of this housing program is significant, for the reasons I outlined before, around Closing the Gap, but I will continue to advocate for that publicly and I certainly welcome any contributions from members of the committee. I am not sure why they have not been able to commit to that funding to date, but I am very hopeful and I will continue to be vocal until we provide some certainty to those communities to continue that building program post 30 June 2018.

**Ms PEASE:** Minister, I understand that you have two statutory authorities within your portfolio. That appears in the SDS. Would you be able to briefly advise what the gender balance of the RTA and the QBC boards are?

**Mr de BRENNI:** That is an important question, because as a government we need to ensure that we set targets for gender balance and diversity across a range of settings in our community. The RTA board is led by a female chairwoman and six directors, four of whom are female. The Queensland Building and Construction Board has a chair and six directors, four of whom are female. That is well in excess of the 50 per cent target, and I want to thank both the statutory authorities for their work and their contribution here today.

**CHAIR:** There are some questions taken on notice. In the few minutes that we have remaining, can you answer any of them?

**Mr de BRENNI:** I did want to address the questions that have been raised during the course of the hearing. The member for Burnett asked if the 10-business-day rule was a good idea. I am advised that this rule was mandated by legislation that was introduced under your government which had a delayed commencement date, so I thank the member for Burnett for the question and for providing me the opportunity and the impetus to go back and study that legislation. If I bring legislation to this House in the future, I look forward to his support on the repeal of that LNP legislation.

The member for Burnett also raised a question in relation to Good Look Garage Doors. I am advised that my office received an email from the office of the member for Hervey Bay on 22 June 2017 and I understand that another minister may have been contacted about this earlier in the year. My office responded to the gentleman on 12 July 2017. It is usually my practice to send a courtesy note in the first instance to an MP to let you know. Many of you will have received one of these from me to say that I have received your advocacy, and I will come back to you down the track when it has been dealt with.

This seems not to have happened with the member for Hervey Bay, and I ask you to extend my apologies to Ted on my behalf. I will correct that tomorrow to make sure that he has been informed and he is up to speed with what is happening with his constituent.

The commissioner of the Queensland Building and Construction Commission indicated that he would take a question on notice, and we will do that. That matter is a year old and we will need to review that. Finally, Mr Chair—

**CHAIR:** Sorry, but there are only two questions on notice that we had here. The copy of the QBCC submission—

**Mr de BRENNI:** The question relates to a document that is more than a year old, so I will have to take the question on notice.

**CHAIR:** That is the only one, really, and the other one has been answered, so that is the only question on notice. The time allocated for consideration of the estimates of expenditure of the portfolio of Housing and Public Works has expired. We have resolved that answers to questions taken on notice must be provided to the committee secretariat by 5 pm tomorrow, Friday, 28 July.

**Mr de BRENNI:** That is very kind of you, Mr Chair.

**CHAIR:** The transcript of this session of the hearing will be available on the Hansard page of the parliament's website within two hours. I thank you, Minister and departmental officers, for your attendance.

**Mr de BRENNI:** I also want to thank you, Mr Chair. I want to thank all members of the committee and the visiting members, particularly the member for Bundamba, who stuck it out to the end. I thank the staff of the Department of Housing and Public Works, the Queensland Building and Construction Commission, the Residential Tenancies Authority and all of the chamber staff, who do an excellent job here every single time we turn up.

**CHAIR:** Thank you, Minister. The committee will now adjourn for a break. This hearing will resume at 5 pm with the examination of the estimates of the Sport portfolio.

#### **Proceedings suspended from 4.33 pm to 5.00 pm**



**CHAIR:** The hearing is resumed. Welcome back, Minister and officials. The committee will now examine the proposed expenditure for the Sport portfolio. I welcome the member for Buderim to the committee. The member for Bundamba sent her apologies; she has a function to attend. I also welcome the member for Beaudesert. Minister, I invite you to make a brief five-minute opening statement.

**Mr de BRENNI:** Thank you very much, Chair. I am sure the committee agrees that there is nothing that brings Queenslanders together like sport. Whether you prefer to play it or you prefer to watch it, from elite competitive sports through to leisure activities that support an active, healthy lifestyle, sport is at the heart of communities from the cape to Camooweal to Currumbin and everywhere in-between. In Queensland we have always punched above our weight at the elite level and we provide more than our fair share of Australian Commonwealth and Olympic medallists and our State of Origin team is the stuff of legends.

**Mr MOLHOEK:** Queensland!

**Mr de BRENNI:** Hear, hear! As Minister for Sport I am most proud and most honoured to work for the biggest heroes of Queensland sport—the thousands of mums and dads out in communities across the state, the volunteers who keep our grassroots sports clubs and associations operating. That is why this government has made a record \$125.5 million commitment to our Get in the Game initiatives to support sport and recreation at the grassroots level. Since becoming Minister for Sport in February this year I have had the great pleasure of meeting with countless mayors, heads of sport, club presidents, the volunteers, the parents, players and the businesses and enterprises that rely on them and support them across the state, and everywhere I go people say the same thing—to be able to plan for the future and build sports in Queensland, clubs need certainty and clarity around our funding programs and grant application dates for years to come. That is why earlier this week I announced some exciting changes and improvements to the Get in the Game suite of initiatives over the next three years.

Get in the Game 2018-2020 is our biggest commitment to date. We are investing \$125.5 million over three years. This will include increasing Get Playing Places and Spaces grants funding from \$11 million per year to \$13 million per year with maximum grants now at \$150,000. It will involve broadening eligibility requirements for the Get Playing Plus grant program, with eligible projects now starting at \$200,000 rather than at \$300,000. Some \$15 million will be allocated to our new Female

Facilities Program to build and upgrade fit-for-purpose female amenities and change room facilities to encourage greater participation in sport and active recreation by women and girls, and I will be announcing further details about that particularly exciting program in the days to come.

We have increased funding for our hugely successful Get Started Vouchers program with \$7 million worth of vouchers per year to help eligible kids get involved in organised sport. The successful Get Started Vouchers program provides assistance of \$150 to eligible children and young people to help them join a sport or an active recreation club. One of the first things I had the opportunity to do as Minister for Sport was to reopen round 9 in February 2017. We reopened the program with an additional half a million dollars so that another 3,000 kids would have the chance to start playing sport in their community. A record number of nearly 31,200 vouchers have been redeemed under this funding round and the program is only set to grow, with now close to 50,000 vouchers available per year.

Grassroots sport and recreation clubs, as we know, took a hit earlier this year when communities across Queensland were ravaged by Tropical Cyclone Debbie and its aftermath and the associated flooding events. To help affected Queensland communities recover from what was an extraordinarily devastating disaster, I announced important funding programs to allow local sporting clubs and organisations to be able to get back on their feet sooner. On 5 April this year we released the Sport and Recreation Disaster Recovery Program. Under that program we have supported 72 clubs at level 1 funding to a total amount of \$742,280 and for round 6 of Get Going Clubs and the Get Playing Places and Spaces programs we have brought forward funding rounds and expedited assessment processes. These measures will assist affected clubs to return to normal operations as soon as possible.

In partnership with the Department of Education and Training we have recently launched the QAS4Schools program which sees our inspirational Queensland Academy of Sport athletes visit primary schools across the state to talk about their training regimes in the lead-up to next year's Commonwealth Games. Our government recognises the importance of sport and recreation and its contribution to healthy lifestyles for all Queenslanders. As the Minister for Sport, I will continue to advocate for grassroots sport and recreation activities, for team sports, for our elite athletes, in particular for female participation, Indigenous participation, and of course health promotion and the illness prevention measures that come with sport and active recreation and healthy lifestyles. I want to thank the committee for the opportunity to make an opening statement and I look forward to discussing many positive initiatives within this portfolio.

**CHAIR:** Thank you, Minister. I go to the member for Beaudesert to open questioning.

**Mr KRAUSE:** Good afternoon, Minister. Welcome to the final countdown. Minister, your love for cricket is well known, so I thought I would start with some cricket related questions and see how many you can play with a straight bat. I refer to page 5 of the SDS in relation to supporting Stadiums Queensland and I seek leave to table an article from 16 March this year from the front page of the *Courier-Mail* in which you state—

We've got the best technological advice, the best ground skills, we've got the best stadium management, we've got the best facilities in the nation, so there's no reason why we can't have the most up-to-date, cutting-edge innovations like the type of drop-in pitches we are seeing ...

Is that your position and do you still support a drop-in wicket for the Gabba?

**Mr de BRENNI:** I thank the member for Beaudesert for that question.

**Mr KRAUSE:** I do seek leave to table those documents.

**Mr de BRENNI:** I am happy for you to table it.

**CHAIR:** It is a public document. Is leave granted? Leave is granted.

**Mr de BRENNI:** It has been in the paper and the conclusion to my remarks that I made on that day was that if that state-of-the-art and highest level of excellence in ground staff had determined that they wanted a drop-in wicket they could have made one of the best ones in the world, so it is important to take those comments in their entirety. Clearly there are great wickets across the world that are both in situ and drop-in and the Gabba wicket is well renowned as one of the greatest wickets on earth. There is no intention from our government to introduce that wicket block there. My remarks were simply made in respect of whether or not if one was introduced it would be any good and I am sure that those skills are transferable if they are applied on a drop-in wicket or not. It was about commending the ground staff there, who were under enormous pressure, if the committee remembers, to deliver an outcome for the AFL women's grand final. I take the opportunity, if it is okay, member for Beaudesert, to congratulate the AFL Women's Lions team on their success in the inaugural competition.

**Mr KRAUSE:** So you do not support a drop-in for the Gabba?

**Mr de BRENNI:** I never said that at the time and—

**Mr KRAUSE:** And now?

**Mr de BRENNI:** It is a matter for others to determine what type of wicket is there, but it is clear that the incidents that occurred earlier this year were outside of our control. That has been well ventilated and well explored.

**Mr KRAUSE:** Before you made those comments about the drop-in wicket did you seek advice from the ground curator, Mr Kevin Mitchell Junior, about drop-in wickets?

**Mr de BRENNI:** About whether or not I thought he was any good at his job? No. I think that is well known.

**Mr KRAUSE:** About drop-in wickets and how the Gabba would go with them?

**Mr de BRENNI:** No. I take you back—

**CHAIR:** Member for Beaudesert, it is a simple process: you ask a question and the minister will answer it and then we will go back and forth that way. Minister.

**Mr de BRENNI:** I take you back to my original answer, which was that my view was that that individual that you refer to is well regarded to have a high level of skill and I believe that he could deliver an excellent outcome no matter what he did. I do not think his skill level is in question and my comments did not bring it into question and my comments taken in their entirety referred to my belief that he had an ability to deliver an excellent wicket regardless of where it was or what type it was. To impute that my comments were in relation to—

**Mr KRAUSE:** No, I did not impute anything. I said did you seek his advice.

**CHAIR:** Order! Member for Beaudesert—

**Mr KRAUSE:** He is not going to put words in my mouth, Chair.

**CHAIR:** The minister is answering your question. You will have an opportunity for a supplementary question.

**Mr de BRENNI:** Chair, the member for Beaudesert is asking for words not to be put into his mouth in relation to this issue and—

**CHAIR:** Yes, and I would ask the member for Beaudesert to similarly not try to put words in the minister's mouth.

**Mr de BRENNI:** I will answer the question, Chair, if that is okay. If the member for Beaudesert wants to know whether or not I sought the ground curator's advice before I said that he was an outstanding professional who was well regarded internationally and could do an extraordinary job, my view is that I did not need to seek his advice to make those remarks because they are common and public knowledge.

**Mr KRAUSE:** That was not the question, but in any case we will move to another question. I seek leave to table an article from 17 March titled 'Supergrass' which features comments from Labor Senator Anthony Chisholm in which he is quoted as saying—

Any suggestion we move to a drop-in pitch needs to be knocked on the head straight away ...

I table that article with the leave of the committee.

**CHAIR:** Once again, it is a newspaper clipping, is it?

**Mr KRAUSE:** Sure.

**CHAIR:** Is leave granted? Leave is granted.

**Mr KRAUSE:** Minister, did you receive a call from the senator about this issue?

**Mr de BRENNI:** Mr Chair, I am very happy to answer questions in relation to the budget, but exploring the phone records of myself and other senators is a—

**Mr KRAUSE:** It is a simple question.

**CHAIR:** Yes, and I will ask you to ask another question.

**Mr KRAUSE:** Chair, with respect to the minister—I am not reflecting on you, Chair—you are the minister responsible for Stadiums Queensland and I think this issue, which you have been in the public domain talking about, is quite relevant to the budget because you administer the budget. Did you receive a call from the senator about this?

**CHAIR:** Long bow and it is nothing to do with the budget. I will rule that question out of order. Can you continue on with something else?

**Mr KRAUSE:** Okay; did you receive feedback from anyone else about the proposal?

**Mr de BRENNI:** There has been no proposal.

**Mr KRAUSE:** There was a proposal in the article which I tabled just before—a suggestion by you that drop-in wickets would be very commendable or a good idea for the Gabba.

**Mr de BRENNI:** No.

**Mr KRAUSE:** Did you receive any feedback about it?

**CHAIR:** You ask one question. I thought we had established that: you ask a question and allow the minister to answer.

**Mr de BRENNI:** The question that was asked of me was whether or not I thought a drop-in wicket could be a solution to the problem there and my indication—and I stand by my indication—was that whatever is determined to be there the ground staff are well regarded as the best in the world and should they choose to make the decision or should a decision like that get made then they could deliver a great outstanding wicket regardless of its type. There was never a proposal—

**CHAIR:** That is the answer I heard.

**Mr de BRENNI:** There is a clear imputation in the member's question and, Chair, I would ask you to guide the member in terms of desisting from that approach.

**Mr KRAUSE:** Minister, in relation to the comments you made, did you receive any feedback from anyone else about that proposal? We saw the feedback from the senator, but did you receive any other feedback about it?

**Mr de BRENNI:** I can just—

**CHAIR:** The question has already been answered several times.

**Mr KRAUSE:** No, it has not.

**CHAIR:** It has. The minister can answer the question in any way he sees fit. He has answered this question. You have asked it three times. You have tabled the document. Do you have anything else to move on with?

**Mr de BRENNI:** Can I shed some light on the question and help out the member for Beaudesert?

**CHAIR:** Certainly. As long as that allows us to move on, please do.

**Mr de BRENNI:** I hope so. I have just been handed a transcript. The question that was asked of me was—

Is there a chance of a drop in wicket down the track here or anything like that, like all the other stadiums here around Australia? My answer in the transcript was—

Oh look I think again in terms of a um, drop in wicket here at the Gabba, we'd rely on the advice of people like Kevin and his team ...

If that satisfies the member for Beaudesert—

**Mr KRAUSE:** It still has not answered the question about whether you received feedback—

**CHAIR:** Member for Beaudesert, I will ask you to withdraw. That is not right. The minister has answered the question. Can you move on to something else.

**Mr KRAUSE:** Minister, I will refer—and table with the leave of the committee—to an article from the Brisbane Lions website of 15 March 2017 titled 'Lions committed to Gabba AFL Women's Grand Final'. I seek leave to table that.

**CHAIR:** Is that a newspaper—

**Mr KRAUSE:** It is not a newspaper document; it is a website document.

**CHAIR:** It is a public document. Leave is granted. I will ask you to be mindful of the time. This line of questioning can continue on.

**Mr KRAUSE:** In referring to the article, why did you say that the Gabba was on track to host the AFL Women's final when that was not the case at the time?

**Mr de BRENNI:** You seem to have an extraordinary interest in a matter that is, as the member for Lytton has put quite clearly, done and dusted. The advice that I received at the time was that the intent of the ground staff was that the turf was on track. Unfortunately, the turf could not be repaired following

the concerts. I know that you are going to ask a question about that soon. I will deal with it up-front. It could not be repaired in time or played on for the women's AFL grand final without compromising player safety. The players, just because they are women, will not be exposed to risk of safety in any circumstances.

The women's AFL grand final was held here in Queensland. It was an extraordinarily successful inaugural year for the AFL. It showed that women's sport, with the right backing and support of the community, can continue to go from strength to strength. I look forward to seeing their success in coming years.

**Ms PEASE:** With reference to page 5 of the SDS and the minister's opening statement, how does the new Get in the Game program compare with previous commitments?

**Mr de BRENNI:** I thank the member for Lytton very much. As a dad, there is nothing that I enjoy more than seeing my kid kick around a football—my young son, Charlie, is four—or exploring the great outdoors with his sister. I want to see more and more Queensland kids have the opportunity to do that. That is why on Monday this week, with sport and recreation industry leaders, I announced a new record commitment from the Palaszczuk government: \$125.5 million to the improved Get in the Game program for 2018-20.

To put that in perspective and provide some contrast, the previous government's Get in the Game program of 2012-14 was \$68 million. We are proud of this commitment because we know how valuable sports and active recreation are in our community, not only in health outcomes but also in bringing people together. We have done much more than increase the funding. We have also developed improvements to the Get in the Game program based on the external evaluations of the program and some evidence based feedback that came in.

As committee members will no doubt be aware from their own electorates, the Get Started vouchers continue to be the department's most popular program. They provide \$150 in start-up costs to kids and young people. In the last financial year we hit a record in that program, issuing more than 50,000 vouchers. That is 50,000 kids who have a hand-up into sport that they never would have got without that. That is an extraordinarily valuable program.

Already in round 10, which is currently open, we have issued around 10,000 vouchers. The program is continuing to grow in popularity, which is a good thing. We are supporting that through an increased budget, which is now up to \$7 million per year, which gives another 9,300 kids a chance to get involved in sport.

We also reviewed and improved the referral agent process. Many people in the community are probably not familiar with the referral agent process to ensure that vouchers are reaching those families that require financial assistance. The allocation of vouchers to referral agents under the current round 10 has also proved to be very popular. It has been exhausted. Today I can announce that I have approved an additional 300 vouchers to assist over 80 referral agents on the department's waiting list to assist families who need support with receiving those vouchers.

Referral agents are people such as police officers, youth justice caseworkers or school principals. They all have the ability to refer to the program a young person who would greatly benefit from participation in sport but who requires financial assistance to do so. These are people who do not qualify for a healthcare card. With the Get in the Game 2018-22 announcements, Get Started vouchers are now committed for another five rounds, through to the end of 2020.

Get Going Clubs, with an annual budget of \$3.5 million, will continue for another three rounds, with the focus moving from participation support to better organisational capability. From round 7, funding of up to \$7,500 per organisation will now deliver on outcomes identified through club health checks and other support mechanisms to help build the capabilities of volunteers, particularly in local and regional sport and recreational organisations.

With a yearly budget of \$1 million, the new Get Planning Spaces provides grants of up to \$100,000 to assist in strategic infrastructure planning for organisations and councils. The Get Playing Places and Spaces will continue for another three rounds to support new, upgraded or replacement infrastructure projects to increase or enhance participation. In round 5 the construction period for projects was increased to 18 months to allow additional time for quality projects to be completed. The budget will increase from \$11 million to \$15 million, implemented in round 6 in 2017, and be maintained for the new commitment. Round 6 also saw an increase in the maximum amount of funding to \$150,000 to provide greater support for more local infrastructure development. This will continue for the new commitment.

Members will also know from working with their own local sporting clubs that the mums and dads of those clubs are the people we rely on to make them operate. All of the heart, blood, sweat and tears that they put in cannot make up for a lack of sporting infrastructure. For that reason, a third round of Get Playing Plus will provide \$37 million in funding to support the development of new facilities or major upgrades to existing sport and recreation facilities.

That is great news for local clubs. We have gone a step further by lowering the minimum amount of the grants to \$200,000 from \$300,000 to reduce the funding gap between programs, with a maximum of \$1.5 million available per project. Get Playing Plus will greatly complement the soon-to-be announced \$15 million in the Female Facilities program, which will provide new and upgraded fit-for-purpose change-room facilities for women and girls to encourage participation and keep them playing sport.

**Mr WHITING:** This question follows on from previous questions about supporting our younger Queenslanders into sport. With reference to page 5 of the SDS and active recreation, can the minister outline how we are supporting children to participate in active recreation?

**Mr de BRENNI:** I thank the honourable member for Murrumba for his question. I think most of us count ourselves pretty lucky to have grown up in Queensland. My parents' decision to move to the outer suburb, as it was then, of Rochedale, which is right near my favourite part of the world, which is Daisy Hill, is one that I am very thankful for. I have some pretty amazing memories as a kid of getting outdoors and spending time in the natural environment. Today, as a parent, it is something that I really relish sharing with my children. I am very proud that we have committed to promoting the role of outdoor play and the work that Nature Play Queensland does to encourage families to spend more time outside.

For those of you who are not aware, the Nature Play Queensland program aims to get kids outdoors and spend time in what is more unstructured play rather than organised sport. We do that because spending time outside helps kids' brain development, helps with their health, helps with their self-confidence and helps with their social skills. It has been a huge success. Since the program began three years ago, 240,000 Passports to an Amazing Childhood have been distributed across the state. I seek leave to table the passports for the members.

**CHAIR:** Leave is granted.

**Mr de BRENNI:** Member for Whitsunday, I am sure that they do not conflict with section 44 of the Constitution, whatever ambitions you may have beyond this stage of your political career. I have had a fantastic time with my own kids with the Nature Play passports at Daisy Hill forest, in Venman Bushland National Park and in my own backyard exploring the outdoors. I am pleased to announce that I have committed a further \$1.87 million over the next three years to the Queensland Outdoor Recreation Foundation to continue to deliver Nature Play activities and new services for them to advocate outdoor play across Queensland.

In conjunction with this, we have also supported a world-first app—I have it on my phone—that helps unlock the power of play for happier and healthier children. It is the Grow with Nature Play app. I invite members to download it. It is a practical play app that is designed to support parents and carers of children aged zero to three. It helps with hints, tips and information about the benefits of playing with nature.

The \$1.87 million commitment over the next three years will see the introduction of new services and activities, including a very exciting opportunity, which is a mass participation mud event. We will also see parent forums, parent webinars, some specialised forest-learning products and the celebration of outdoor play generally. I do not have to tell members how great it is to get outdoors. I am told that the member for Whitsunday has Cedar Creek Falls in Proserpine, which offers a waterfall, swimming and walking trails—

**Mr Costigan** interjected.

**Mr de BRENNI:** Indeed. The member for Lytton and the member for Redlands would be very familiar with the Oaklands Street Community Garden in Alexandra Hills, which offers a garden gathering for children of all ages. Of course, I have mentioned that my favourite place is Daisy Hill, right in my electorate of Springwood. The best part of Nature Play is the simplicity of its program. It is accessible to everyone. You can pick it up in a matter of hours. As a government we want to see more Queenslanders, particularly our kids, get active and develop a lifelong passion for recreation.

In conclusion, as a parent and as the Minister for Sport, I am keen to see Nature Play continue to thrive in Queensland. This funding will help the initiative grow. I am very keen to see members promote the program by sharing the website on their social media—[www.natureplayqld.org.au](http://www.natureplayqld.org.au)—or liking and sharing their page on Facebook. I look forward to their support for that.



**Mr WHITING:** Minister, in your opening statement you talked a bit about the Sport and Recreation Disaster Recovery Program. Can you provide the committee with more details of that program?

**Mr de BRENNI:** Thank you very much, member for Murrumba. We have been expanding our development of these programs to ensure we are able to support sport and recreation clubs, particularly recently as a result of severe Tropical Cyclone Debbie and its aftermath. I am sure many members of the committee, in particular the member for Beaudesert, saw it in their own electorates. Sports clubs are essential to their local communities. Getting them back on their feet, particularly in regional Queensland, is important. We do that because they are places where people come together not just to play sport but also to make friends. Members of the committee who were here in the previous session heard me talk about my experience of that when I was out in Winton on the weekend. People come together in these places and they achieve great things together.

When Cyclone Debbie ripped through Queensland communities it was not just the homes and businesses that we saw on television—quite a lot were affected; our sporting clubs were also hit really hard. Across Queensland there were 29 local government areas declared as disaster areas under the Natural Disaster Relief and Recovery Arrangements following the cyclone and, of course, the associated rainfall and flooding that came all the way down the coast and ended up crossing the border, in fact. Whilst we have heard a lot this week about the federal government short-changing vulnerable Queenslanders as a result of that disaster, as Minister for Sport I am doing my little bit to help out in those communities affected. An important part of the rebuild and recovery process is getting things in those communities back to normal as soon as possible. You try to get the schools operating as soon as possible, but we want to get the sporting clubs operating as soon as possible as well.

Soon after Cyclone Debbie passed I visited the Mackay and District Mountain Bike Club. I went there with the member for Mackay. We walked the mountain bike trail. There was no chance you were going to ride a bike through there. The trails were previously world-class. They were absolutely torn up by heavy rains and covered in debris. These tracks were due to be used in September for the state's cross-country championships. It is a great venue to have that. The state they were in as a result of the cyclone ripping through there was pretty heartbreaking. As a result of that visit we released the Sport and Recreation Disaster Recovery Program to allow sport and recreation organisations to apply for assistance as soon as possible.

Level 1 assistance provided funding of up to \$5,000 to assist eligible sport and recreation organisations with immediate clean-up efforts in disaster declared areas. Over 172 applications have come in and been approved, totalling \$742,280, with further approvals made as applications are received. I will provide just a couple of examples to illustrate that. In the electorate of Beaudesert, the member for Beaudesert would be familiar with the Jimboomba Cricket Association. We provided them \$4,696 to assist with the clean-up efforts. They had flooding. That club was able to be re-established following that flooding. There were another 11 clubs through that area. I think the rivers in your neck of the woods wreaked a fair bit of devastation. Up in Whitsunday, which of course bore the brunt of the powerful winds, I visited the local footy club when the Cowboys came out to have a look. Twenty-five clubs, including the Proserpine Junior Rugby League Football Club, picked up \$5,000 just to get Rugby League up and running again and get the kids back out on the oval, which is important. Down in your electorate, member for Redlands, Carbrook Golf Club received \$5,000 to help clean up the fairways and greens to get golf back at Carbrook. Down in Southport, the croquet club collected \$847 to assist with their clean-up efforts.

**Mr MOLHOEK:** The oldest croquet club in Australia.

**Mr de BRENNI:** There you go: an historical club back on its feet. That is very good to see. Following the activation of category C under NDRRA arrangements, sport and recreation services released level 2 funding. That provides up to \$20,000, the higher amount. That goes a long way in assisting, repairing and restoring damaged infrastructure. To be eligible for level 2 funding you have to first apply under the Queensland Rural Adjustment Authority's Natural Disaster Recovery Grants Scheme.

Beyond clean-up and restoration, it is important that clubs that have been through those tough times get a sense of hope for the future. That is why, in addition to disaster relief arrangements, I brought forward the opening dates for the next round of Get Playing Plus, so that clubs that were affected by Cyclone Debbie could get started sooner on projects that help build new infrastructure in their clubs and give their clubs a brighter future.

**CHAIR:** We will now move to the member for Buderim.

**Mr DICKSON:** Minister, I think your department is doing a fantastic job. My question is related to a letter that I got from the Premier yesterday. I wrote to the Premier and you on 7 June relating to the destruction of the Maroochy gymnastics club. The Premier states in that letter that you will be getting in touch with our office shortly. I am just wondering where you are up to with that. This club has been devastated. Many hundreds of kids on the coast have nowhere to go and they have been absolutely shattered. What are you going to write in your letter, Minister?

**Mr de BRENNI:** Thank you very much, member for Buderim, for raising this issue. As a former sports minister yourself, you would be acutely aware of how important it is to get clubs back up on their feet and to return some sense of normalcy to the lives of those individuals. It is opportune that you ask about this in particular. I have in the last 24 hours written to Mr Peter Dwan—I do not know Peter personally; you probably do—the president of the Maroochy Beach Gymnastics Club. I will quote from the letter for the benefit of the hearing. It states—

Dear Mr Dwan,

Thank you for your letter of 2 June 2017 regarding advice on the destruction of the gymnasium in Maroochydore and requesting financial assistance to re-establish the Maroochy Beach Gymnastics Association.

I go on to say that I am sad to hear about the loss of the facility and glad that there were no children or patrons on site the day the fire occurred and, from the information provided, it appears that the association has received strong community support after the event—including from you, member for Buderim. I go on to say that, due to the extenuating circumstances around the loss of the facility and the urgent need to re-establish a gymnasium at a temporary location, I have approved a grant of \$66,000—

**Mr DICKSON:** You beauty! Good on you!

**Mr de BRENNI:** You are welcome—at 100 per cent subsidy level under round 5 of the Get Playing Places and Spaces program which will enable the association to purchase a sprung gymnastics floor that can be utilised at its temporary location then moved to its re-established clubhouse. Member for Buderim, that letter probably has not been received by Peter yet, but I am very happy for you, if you are willing, on my behalf to make a phone call this evening to let him know.

**Mr DICKSON:** I just have to say thank you very much. This will be very gratefully accepted by Maroochy gymnastics. While I am at it, I also have to thank you for funding the Sunshine Coast Marathon. That was a very good initiative on behalf of your department. I cannot thank you enough. Well done!

**Mr de BRENNI:** Thank you.

**Mr KRAUSE:** I will open up my second innings following on from where we left off in the last dig, which was about the moving of the women's AFL final from the Gabba. What was the cost to the government and the taxpayer of having to relocate that game to Metricon Stadium?

**Mr de BRENNI:** The AFL hired the venue from the Gold Coast Suns, as I understand it, and we provided free transport on the day. It was an extraordinarily important and historical event in not only AFL's history but also the history of women's sport. I personally attended. It was an extraordinary achievement to see a huge crowd come in. Fifteen thousand people attended that event. It was a good game. The Crows just pipped them by a goal in the end. We also supported the grand final with funding of \$25,000 throughout the year to help raise awareness of the benefits of physical activity in women and girls in the community. In terms of the exact cost of hiring the venue for the day, if that is—

**Mr KRAUSE:** The cost to the government of the relocation. Was there a cost or was it borne by the AFL?

**Mr de BRENNI:** I will have to come back to you on that, but I did indicate that the government made free transport available on the day because we wanted to see as many fans get out there and support what was an historic occasion. I am reminded that the AFL does lease the facility off Metricon. As far as I am aware, there were no additional other costs.

**Mr KRAUSE:** I just wanted to pick up on an issue that was spoken about previously, which was the Nature Play program. You have kindly provided the Nature Play Queensland passports for the committee's perusal. If I am not mistaken, you referred to an app that was involved with Nature Play and, correct me if I am wrong, I think you said it was a free app in relation to that.

**Mr de BRENNI:** I do not think I said it was a free app. I think it is \$2-something.

**Mr KRAUSE:** I thank you for that.

**Mr de BRENNI:** I am happy to clarify that.

**Mr KRAUSE:** Thank you for clarifying that, because we had a quick look and it is \$2.99 but I thought I heard you say that it was a free app.

**Mr de BRENNI:** I apologise if I said it was a free app. There is also a website that supports the delivery of the program.

**Mr KRAUSE:** Thank you. I refer to page 5 of the SDS in relation to funding programs to support community sport and active recreation needs, and I ask: in relation to the proposal of the Brisbane Lions to build a \$70 million community hub and new home base at Springfield, are you supportive of these plans?

**Mr de BRENNI:** I think the issue has been well addressed in the media and has certainly been well ventilated in this hearing tonight. It is clear that had there been a specific women's facility available earlier in the year perhaps that would have been the home for the final. Perhaps the Gabba would have been the home for the final. Who knows? What I do know is that Queenslanders, like all Australians, have taken to the AFL Women's concept with great vigour. My own daughter, who is involved in Auskick at the moment, religiously comes and sees me every Thursday night or Friday morning, if I have the luxury of being home, and I pump up her little pink AFL ball so she can go and play because she has been motivated to go out there. Certainly in principle I am very supportive of seeing the delivery of a greater level of women's infrastructure. That is why in a few days time we will unveil the detail of our Female Facilities Fund. In terms of specific conversations between the Queensland government and the AFL about that proposal, they are ongoing conversations.

**Mr KRAUSE:** I understand from those comments that you are broadly supportive of those plans. I do not want to misquote you, but that is what it sounded like. The proposal, as I understand it, seeks \$15 million in funding from the government to contribute to the project. Why have you not funded that as part of this year's budget or, in the alternative, is the \$15 million Female Facilities Fund to be dedicated towards that project?

**Mr de BRENNI:** I will answer both of those two questions. The Female Facilities Fund details will be announced next week, and if government makes a decision about additional funding for any sport it can do so in addition to the budget as it deems appropriate, if it is necessary and deemed to be of benefit to Queenslanders. Discussions are ongoing with the AFL about their facilities. A very large number of codes approach the Queensland government for support for the construction of infrastructure. I think that if we are going to commend anyone for having a particularly active and successful media strategy it would be the AFL. They certainly addressed their desire for government support on this very publicly, to their credit.

**Mr KRAUSE:** I have a further question in relation to community sport and active recreation funding. Minister, are you advocating for a new government policy where community clubs are penalised if they do not comply with United Voice demands around industrial relations matters? Can you explain the impact of this new policy on community grants for non-profit community clubs?

**Mr de BRENNI:** Let me explain that there is no government policy in relation to the matters that you talk about. I do think, however, it is important that community clubs continue to ensure they meet the appropriate wages and conditions of their staff. The suggestion that a way to build a stronger, fairer and more participatory society is to cut the wages of some of the lowest income earners—the men and women who work behind the bar at our clubs and sporting associations—is not supported by this government. This government has made it clear that the retention of penalty rates in clubs across this nation is an important social objective. Beyond that, there is no other policy.

**CHAIR:** Minister, I allowed you to answer the question but it does not really relate to sport. Member for Beaudesert, could you please ask some questions on this portfolio?

**Mr KRAUSE:** It relates to page 5 of the SDS, in relation to funding for community clubs and whether the policy will impact on that allocation.

**CHAIR:** I do not believe so. I think you are drawing a longbow there.

**Mr KRAUSE:** I have a couple of more questions, if I may?

**CHAIR:** Yes, you may.

**Mr KRAUSE:** Chair, when does our block finish, because we finished a little early last time?

**CHAIR:** There is no block. There is no strict time. You may continue to ask questions. You are wasting your time now.

**Mr KRAUSE:** I refer to page 5 of the SDS in relation to sport and active recreation and also question on notice No. 1306, asked on 17 August 2016, and question on notice No. 761, asked on 25 May 2017, in relation to the State Netball Centre. The initial answer provided by the previous minister was that the new centre would be opened in August 2018. Your answer, Minister, was that it has been revised to late 2018. Why is there a delay in the time frame for the State Netball Centre?

**Mr de BRENNI:** That is a good question and I am very happy to answer the question in relation to what is a very important project. As you know, netball is the largest female participation sport in Australia. That particular facility, which was referred to in the two questions, is a much needed competition venue. It will be able to host tournaments and facilitate training and it will be built to an international standard. It will also be the headquarters for Netball Queensland, the sport's governing body in the state. Stadiums Queensland has engaged the Department of State Development to deliver the project. Of course, both parties are working closely with stakeholders to ensure we maximise the outcomes of that project.

It is a significant project and significant building projects take time. A number of key stakeholders are being consulted appropriately, including the Brisbane City Council. They have contributed to the project in the interim by agreeing to transfer to Stadiums Queensland a parcel of land adjacent to QSAC at the corner of Kessels and Mains roads. The project will now incorporate an elevated car park to provide around 528 car spaces. That car park will be used by both the Netball Centre and QSAC.

Members will recall that on 8 July 2015 the government committed \$30 million in funding for a purpose-built eight-court indoor netball centre. Later, the Commonwealth government committed a further \$10 million. Part of the Queensland budget for 2017-18 includes an additional \$4 million of funding to provide for significant operational and functional enhancements to the facility. Therein lies the reason for it taking longer to build: it is bigger and better than what was originally envisaged. That has been enabled by the additional \$4 million. The project in its entirety will support 132 full-time-equivalent jobs. Initial site works are well underway and construction proper is scheduled to start any day now. As we said, we are expecting completion in late 2018.

I will be watching this quite closely. It is important to watch projects like this closely to ensure they stay on track and their time frames are met, because, of course, we want to see it operational and up and running for the start of the netball season in February 2019.

**Mr KRAUSE:** Have you visited the centre, Minister?

**Mr de BRENNI:** There is no centre there currently.

**Mr KRAUSE:** Have you visited the site?

**Mr de BRENNI:** Yes.

**Mr McEACHAN:** In relation to page 5 of the SDS, I refer to the allocation of \$15 million over two years to deliver female-friendly change facilities. The Redlands Junior Rugby League Football Club has a very fast growing female component. Their change-rooms look like they were built circa 1960. They are unsuitable for any changing, at the moment. Is there any intention, within that funding envelope, to put money into the Redlands sporting community for female junior participants?

**Mr de BRENNI:** The member for Redlands is right that with women's facilities across the state—I said it before—quite literally, most of them stink. Women and girls are often asked to use the men's facilities. I presume that is the case at your particular club, member for Redlands?

**Mr McEACHAN:** They are unable to use it. They have to change before they come to the grounds, because the boys are already using it.

**Mr de BRENNI:** As the member for Redlands points out, it is an extraordinary circumstance that history has treated women as second-class citizens. This state is doing everything it can to ensure gender equality is achieved. Allowing for effective and equal participation in football, netball, cricket, sailing, mountain biking—whatever it might be—is quite important. The details of the fund will be released in coming days. Member for Redlands, I will ensure that you are properly advised of the details of the fund. I can assure the committee that the fund will be made available to clubs across the state.

**CHAIR:** We will now go to the member for Lytton.

**Ms PEASE:** Minister, with reference to page 2 of the SDS and young people, can you please update the committee on the Young Athletes Travel Subsidy?

**Mr de BRENNI:** I can. We want to ensure that young people can have the opportunity to participate in sport, which is why the voucher program that I went through in some detail earlier was so important. Beyond participation, we also want to support athletes who become very successful. The Young Athletes Travel Subsidy does that.

On 1 July 2015, our government released a new program to support Queensland's young athletes. The travel subsidy replaced the Young Athletes Assistance program and offers increased funding for those athletes. It can be quite a strain on the household budget, particularly if you have several excellent athletes who have the opportunity to compete at a district, state, national or even international level. Applicants can now apply for financial assistance to attend up to one eligible state, national or international event every two calendar years. With the funding amounts and tiers, there is a \$200 contribution for state level championships, \$400 for national and \$600 for international. I think it is worth pointing out for the committee just how extensively used the program is. In the last financial year—

**Mr COSTIGAN:** Minister, is there nothing for the state? This is a very good question, if I may say.

**Mr de BRENNI:** It is \$200 for state. The point I was seeking to make is that we need to do everything we can to support parents who are encouraging their youngsters into sport. Just getting started can be expensive.

**Mr COSTIGAN:** Is it the same level for state?

**Mr de BRENNI:** I will check on that. Yes, it is the same for the state, the \$200. It is for anything in the state at a representative level. I will get some details to clarify that.

There were 3,623 young athletes. A sum of \$1 million dedicated to that was paid out in grants. There were 158 young athletes facilitated to attend international events, 1,426 young athletes facilitated to attend national events and 2,039 young athletes facilitated to attend state events through that program. It continues to assist young Queenslanders under the age of 18 in attending championship level events, with up to \$1,200 available to individuals over two calendar years. In 2016-17, 158 Queenslanders were supported in attending international events through \$94,800 in funding, \$570,000 was expended in funding for 1,426 young athletes attending national level events and \$408,000 was expended for 2,039 athletes attending state events.

For the information of the member of Lytton, in your electorate three international, 32 national and 15 state subsidies were paid out, totalling \$17,600. Just next door, the honourable member for Redlands had seven international, 12 national and eight state subsidies paid out, totalling \$10,600. That was across the disciplines of baseball, hockey and skipping. It is a great initiative. It will continue. We can expect to see lots more young athletes excelling as they are inspired, throughout the course of 2018, by the Commonwealth Games.

**Mr WHITING:** Minister, with reference to page 5 of the SDS, can you provide an update of the membership of boards within your Sport portfolio?

**Mr de BRENNI:** That is a very good question. Stadiums Queensland has a woman as the chair. The 50 per cent target is met across that board, with three males and four females. Sophie Devitt is the chair. Recently, I appointed a female chair to the board of the Queensland Academy of Sport. I also appointed two new members to that board: Steve Renouf—people will be very familiar with 'Pearl'—and Kelly McKellar-Nathan, an Australian softball player. That takes the gender balance on the Queensland Academy of Sport board to three males and five females. It is good that we are exceeding those targets and are making a commitment to doing so.

**CHAIR:** The time allocated for the consideration of the estimates of expenditure in the Sport portfolio has expired. The transcript of this session of the hearing will be available on the Hansard page of the parliament's website within two hours. There were no questions taken on notice. I thank the minister and departmental officers for their attendance. Minister, would you like to make any final remarks?

**Mr de BRENNI:** I want to acknowledge the parliamentary staff. I also want to thank the members of the committee and visitors. It has been a long haul for you today, but play is almost over. I neglected to mention my special ministerial advisory committee on women and girls in sport, led by Professor Doune Macdonald. I want to thank the staff of the department and my office. I appreciate the opportunity to discuss these issues with you this afternoon.

**CHAIR:** I thank Hansard and all the staff who assisted us today. I declare this hearing closed.

**Committee adjourned at 6.02 pm**