

ESTIMATES COMMITTEE F

Mrs M. Woodgate (Chair)

Mr R. Dollin	Mr K. Lingard
Mr H. Hobbs	Mr D. Livingstone
Mr V. Johnson	Mr J. Szczerbanik

DEPARTMENT OF LANDS**In Attendance**

Hon. G. Smith, Minister for Lands
 Mr Barry Smith, Director-General
 Mr Bill Meredith, Executive Director, Corporate Services
 Mr Rob Freeman, Executive Director, Business
 Mr Peter Philipson, Director, Finance
 Ms Cheryl Irwin, Executive Assistant
 Mr Bob Lack, Program Director, Land Use
 Mr Peter Tooley, Program Director, Land Valuation
 Dr Ross Hynes, Director, Research
 Mr Loren Leader, Program Director, Land Titles Program
 Mr Bob Ahern, Acting Director, Aboriginal and Torres Strait Islander Interest Program

The CHAIRMAN: I declare this meeting of Estimates Committee F now open. The Committee will examine the proposed expenditure contained in the Appropriation Bill 1995 for the areas as set out in the sessional orders. The Committee has determined that units will be examined in the following order: Department of Lands, 11.30 a.m. to 3.35 p.m.; Administrative Services Department, 3.40 p.m. to 6 p.m.; and Department of Transport, 7 p.m. to 11 p.m. The Committee has also agreed that it will suspend the hearings for meal breaks from approximately 1.30 p.m. to 2.15 p.m. and from 6 p.m. to 7 p.m. for dinner. The Committee will also take a short break of 10 minutes at 9 p.m.

I remind members of the Committee and others that the time limit for questions is one minute and for answers it is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of these time limits. As set out in the sessional orders, the first 20 minutes of questions will be from the non-Government members, the next 20 minutes from Government members, and so on in rotation. The end of these time periods will be indicated by three chimes. The sessional orders also require equal time to be afforded to Government and non-Government members. Therefore, when a time period has been allotted which is less than 40 minutes, that time will be shared equally. Responses to questions taken on notice are to be supplied to the Committee within 12 hours of the question being placed on notice or at the latest by 11 a.m. tomorrow, 8 June. For the benefit of Hansard, I ask all departmental witnesses to identify themselves before they answer a question.

I now declare the proposed expenditure for the Department of Lands to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement or do you wish to proceed direct to questioning? If you do wish to make a statement, the Committee asks that you limit your statement to two minutes.

Mr G. N. SMITH: Thank you. Madam Chairman, I will take the opportunity to make a statement. The department's 1994-95 budget was \$135.1m. The estimated actual outlays for the year are \$138.9m, with the difference due to estimated carryovers from the previous year and the provision of an additional allocation from the mid-year review. The 1995-96 Estimates are \$137.2m.

The department is an organisation providing information and services based on fair and effective processes that recognise the rights and obligations of all who have an interest in land in Queensland. The delivery of client services and the development of new and automated services are the two major streams of departmental activity. The client service stream comprises land titles, land use, Aboriginal and Torres Strait Islander land interests, land boundaries and land valuations; while the automated services stream aims at the accessibility of departmental land information by integrating the land information services provided within each element of the different streams.

High-work volumes, particularly in the business area dealing with freehold land, State land and the development of land claims by Aboriginal and Torres Strait Islander people, are expected to continue for the next three to five years. The full impact of native title legislation on departmental resources is yet to be realised. To meet such operational pressures, the department will continue to improve the quality, range and timeliness of service delivery.

Continuing improvements in service delivery and other areas were achieved during the year. These include the Automated Titles System, which became progressively operational from April/May 1994, and the Integrated Valuation and Sales System, which was implemented progressively from May 1994, and which is now in operation in all regions except Brisbane. Brisbane is scheduled to come on line on 10 June this year—in a few days' time. Other improvements include the mainstreaming of the State's land administration in regard to miners' homesteads and associated tenure and the accreditation of survey plan examiners, which allows those accredited to examine survey plans, eliminating the need for departmental examination.

Several organisational changes occurred during 1994-95, or will come into full effect in the coming financial year. These include, one, the responsibility of functions associated with the transfer and claim for the land previously administered by the Department of Family Services and Aboriginal and Islander Affairs, which was transferred to the Lands Department; two, the lead agency responsibility for the Regional Open Space System, which was

transferred from the department to the Department of Housing, Local Government and Planning, effective 1 June; three, the department's Land Court program will be merged into a land, planning and environment division of the District Court administered by the Department of Justice and Attorney-General; and, finally, revised management arrangements are to be implemented during the 1995-96 year as part of the department's enterprise bargaining agreement. Thank you.

The CHAIRMAN: Thank you, Minister. The first period of questions will commence with the non-Government members, and I ask Mr Hobbs to commence the questioning.

Mr HOBBS: Minister, I refer to page 46 of the Portfolio Program Statements, dot point 1, which refers to the leasing and sale of State land. I refer the Minister to the development and then the sale of Crown land. I refer particularly to the recent sale of 1,000 hectares of what is known as Wharp's Holding, which the Department of Lands, as joint developers with the Herbert River canegrowers, freeholded and sold off for agricultural purposes. This land, which was approved for clearing and freeholding by your department, is located next to the property called Pomona. Recently, that property was issued with an interim nature conservation order ceasing any timber development owing to the fact that it was a habitat for the mahogany glider. Can the Minister explain how his department can codevelop and receive \$1m for freeholding, and yet the private land-holder on freehold land is pushed around from pillar to post?

Mr G. N. SMITH: As you would have realised, there has been some change to the Minister for Environment's initial stand on the Pomona property. I understand that the interim conservation order has been withdrawn. As you say, that area of 1,000 hectares is something that the department was able to do to make available for the sugar industry. We are very proud of that because it made land available to people who were land locked. I think that it provided land for something like 50 additional farmers. In fact, it was a landmark action, which I think has been warmly embraced by the industry.

My understanding of the essential difference between Wharp's Holding and the property to which you refer, notwithstanding the qualification that I made before that the responsible Minister has reviewed the position, was that the type of timber—mainly the timber—was quite different from the area where the interim conservation order was issued. I asked that question myself immediately. It was one that suggested itself. It was a reasonable and a fair question. I was assured that the type of timber that covered that 1,000 hectare subdivision in no way related to the type of vegetation that appeared on the property where the interim vegetation order was put in place.

Mr HOBBS: Were studies actually carried out by your department or any other department to determine if the mahogany glider habitat existed in Wharp's Holding?

Mr G. N. SMITH: We are very conscious of the habitat of the mahogany glider because it occurs not only there but also in a number of locations between Tully and Ingham. Certainly, the department always considers habitat matters when any suggestion of clearing comes up. So what I can say to you is that the department was very conscious of those matters long before that particular agreement was entered into and, yes, it would have been taken into consideration.

Mr HOBBS: On the basis that there was no evidence of the existence of the mahogany glider on that Crown land, which was subsequently sold, do you not think that it is strange that, in an election year, suddenly a habitat was found right next door?

Mr G. N. SMITH: No. I have just explained to you in answer to your first question that the type of vegetation on Wharp's Holding was entirely different from the property, Pomona, where the interim vegetation order was put in place. That in itself should give you a very clear indication that the type of vegetation that existed there was not one where the mahogany glider would have been expected to be found.

Mr HOBBS: I refer to page 8, paragraph 3, in relation to the Referee's Office. I refer to the \$320,000 actual expenditure for the 1994-95 year and a similar amount for the 1995-96 year for the Office of the Referee and the number of orders, namely 470, that were made by the Office of the Referee in that 1994-95 year. Of those 470 orders that were made, how many satisfied customers do you really believe you have in relation to that particular program?

Mr G. N. SMITH: I am told that there were about 500 disputes between proprietors and bodies corporate which resulted in the issuing of a formal order. As you know, orders may be appealed in a local Magistrates Court sitting as a tribunal. Of that number, I understand that about 10 per cent were appealed. I think I am entitled to conclude that the remaining 90 per cent were satisfied. It is not an exact measure, but that is the mechanism. If the parties are not satisfied, they can take it to appeal. I think that is the only measure that we can use.

Mr HOBBS: That is probably right. However, it has been brought to my attention that in one case the orders of a referee were not carried out. I cite the example of a Mrs Vi Dunn, of 176 Hornibrook Street, Clontarf, whose body corporate chairman was given an order by the referee in November 1984 to provide access to the books. To date, that order has not been complied with. Are Queensland taxpayers getting value for money, or should we put some teeth into the legislation to make sure that those orders are carried out? Even though only 10 per cent of decisions are appealed, there are still some very serious cases out there.

Mr G. N. SMITH: You took an active role in the debate on the new BUGTA Bill last year. As I have indicated to you by letter in recent days, there are a few amendments yet to go into it. The provisions relating to the referee are greatly strengthened in that Bill. That recognises that there were some shortcomings in the ability of the referee

to deal with certain matters. As far as possible, that has been picked up in the new Bill. It certainly allows the referee to take a much more pro-active role. I would expect that, even though the rate of dissatisfaction appears to be relatively low, some of the results as a result of the intervention of the referee will be enhanced with the proclamation of the new Bill.

Mr HOBBS: I refer to page 2 of the Portfolio Program Statements and the heading "Accelerated Control of Serious and Other Significant Weeds". I note that \$1.5m has been allocated in the 1995-96 year for the accelerated control of critical weeds and the control of other significant weeds. Is this funding truly in addition to the normal allocation, or is it made up of reductions in other parts of the weed program?

Mr G. N. SMITH: No, it is all new money. There is a very significant increase to attack the very serious problems that are occurring, particularly on grazing lands in respect of rubber vine, parthenium and prickly acacia. The Government would have liked to have injected more money into that area last year. However, I am sure that you are also aware that, because of the restraints due to the drought and the additional funding that had to be directed into that area, it has not been possible to put more money into those programs until now. As the Portfolio Program Statements indicate, this is the first instalment of a total of \$4.5m. It is totally new money. It comes on top of the special initiative money that was previously in place of about \$600,000 a year, which has now been incorporated into the base funding. That is the good news. I recognise that there is still a lot to be done. I am reasonably confident that, provided we have some improvement in seasonal conditions, it may be possible for the Government to do even more in future years.

Certainly, the cost to the industry of those weeds runs into tens of millions of dollars. There is a strong obligation on land-holders to control those pests, but we recognise that some of them need a more strategic approach to their elimination, particularly in river catchment areas. There is not much point treating the problem downstream when it is coming from upstream. We are addressing an area that is outside the direct control of the land-holder with more of a strategic response.

Mr HOBBS: In exactly what areas of Queensland will you focus those funds?

Mr G. N. SMITH: I have three maps in my notes. The first description of the maps relates to rubber vine and a special zone to the Northern Territory border. That is in support of the national buffer zone outlined in the draft national weed strategy. We certainly have an obligation to the Northern Territory as well as to ourselves. That also addresses coastal Queensland south of Rockhampton. I understand that that area has seen a very large increase in rubber vine over the past 20 years.

As to prickly acacia—those infestations are around Rockhampton, Clermont, Bowen and Emerald. Those are light infestations. The heavy

infestation occurs in areas such as Richmond, Hughenden, Julia Creek, Cloncurry and McKinlay. I think we may have touched on this issue last year. The clear evidence with prickly acacia is that it has got out of control in Richmond, particularly in the areas that switched from sheep to cattle grazing early on. As a grazier, you would know that sheep keep the small plants down. Where graziers switched to grazing cattle earlier on, it has become much more of a problem. That is where the infestation is occurring. It is an area that was a treeless plain. It has the potential to spread right across Australia, so we have a strong obligation to try to do something about it.

Mesquite is a woody weed that has caused tremendous problems in America. Fortunately, we have been able to get a lot of information on control measures in north America. One of my officers completed his PhD study on mesquite in the United States, so we are very well versed in what can be done. The particular areas of attention will be in the Georgina River, Diamantina, Thompson and Cloncurry River catchments. That includes the town areas of Boulia, Winton, Longreach, Barcaldine, Aramac, Hughenden and Cloncurry.

Mr HOBBS: In a similar vein in relation to locusts, a serious outbreak of spur-throated locust has occurred in the Central Highlands and northern Queensland. I note that you are forming a task force. However, I remind you that the farmers there are presently paying up to \$100,000 each at this stage to spray their land to protect their crops. What additional funding will you allocate for this source this year?

Mr G. N. SMITH: There is a little graduation there. I am aware that one particular grower has spent of the order of \$100,000. But I might add that that was spent on crop treatment for a crop that did have until recently a potential value of \$1m. Fairly recently, since there has been rain, that grower has the potential of harvesting a crop of about \$1.5m.

Mr HOBBS: Others have spent \$30,000 or \$40,000 as well.

Mr G. N. SMITH: Yes, I acknowledge that. You said that a number had spent \$100,000. My information was that only one grower had spent that amount of money. I spoke to those growers the other day. I noticed that you had some comment to make about that, which I agree with. You made the point that the primary responsibility for on-farm treatment is with the grower. We agree with that. The contingency fund involves a strategy to deal with emerging threats when and wherever they occur before crops are threatened. Nobody knows where the locusts will go. For instance, the best way to treat the spur-throated locust—and I am not saying it is, but it is a possibility—is that it may be more appropriate to treat them in, say, the Barkly Tableland than in the area where they are presently causing the problem.

I am sure that you and anyone else who has taken an interest in this matter would know that with the onset of cooler weather the locust activity has markedly reduced. They are active for only a relatively short period now. I do not think that many

farmers are concerned that there will be much further damage to their crops. With the spur-throated locust, we are dealing with an entirely different animal from the migratory and plague locust threats which we addressed before. When I received Cabinet approval to spend \$250,000 of matched funds against that threat, it was not at that point envisaged that a threat would emerge with spur-throated locusts. The last threat occurred about 20 years ago, and then there was a general locust threat. There were some spur-throated locusts in it but that was certainly not the predominant species. In the present crisis, it is entirely spur-throated locust. They have quite a long life of about nine months. Initially, the method of treatment was not correct. People reacted fairly quickly to try to protect their crops, but they really did not have a good understanding of the importance of the application and the conditions under which the chemicals should be applied. It was only after our department came in and offered expert advice that the success rate of the spraying started to increase dramatically. At the present time, \$250,000 is available in the swarm setting to be matched against \$250,000 made available through local government.

Mr HOBBS: I make the point that the grasshoppers are eating the crops now. When it all boils down, by the time the task force forms an opinion, it will be all over.

Mr G. N. SMITH: You are wrong.

Mr HOBBS: I just do not see for the life of me how we can sit on our hands and wait. We have known for 12 months—probably even longer—that this was coming. A more substantial progress plan needs to be put in place. Quite frankly, I believe that the funding that you have allocated is quite insufficient. Can you provide more funding if the need arises?

Mr G. N. SMITH: Let me just go back to where you started. First of all, there is no way in the world we could have known 12 months ago that there was going to be a particular threat in a particular area. These things are subject to seasonal conditions—to a whole range of factors—and it is almost impossible to predict where they will strike or if they will strike. We do not even know now with certainty that they are going to strike in that area. We suspect that they will. The point that I did not make to you before—and perhaps I should have made it—is that the fundamental difference between the behaviour of the spur-throated locusts and the other locusts is that the spur-throated locusts do not swarm, and that makes them much more difficult to treat.

At present, spur-throated locusts are spread over a number of shires, but the fact is that only 5 per cent of the land area of those shires is crop area. If you were to try to eliminate them by spray at the source, you would have to spray the lot; whereas in fact only 5 per cent of the area is covered. I do want to make the point—and I thought that I made it before; perhaps I did not make it clearly enough—that for the moment the concern and crisis has passed. We had growers up there who had not had a crop for two or three years

who saw themselves faced with massive damage from locusts in the first crop they have had. However, that has essentially retreated, because the locust activity level has reduced significantly. It is quite unlikely to resume in any strength until the summer. That is why we have some time to put in place a proper plan.

I made the point to growers when I was up there that there is no point in throwing buckets of money at it—even if we had buckets of money, which we do not—but we have to decide exactly how we are going to do it, who is going to do it and who is going to pay for it. You may be right; it may need more money than is presently available. I do not know that. Some of those recommendations will come out of the task force. That task force will be fairly representative group. We will have people from the Plague Locust Commission, people like Ian Macfarlane, representatives from DPI and local land-holders. The recommendations that come out of the task force will be well-considered, balanced and hopefully workable recommendations.

You must understand that there was an element of emotion on the part of those people who had not had a crop for four years and who saw these things coming in and taking away their livelihoods. I will give you a typical example of the damage that could occur. In one area of 550 hectares, 50 hectares was very significantly damaged, but the typical damage was 10 per cent to 15 per cent of the crop.

Mr HOBBS: I note that you are allocating \$180,000 to examine the effects of dingo attacks on cattle and on native wildlife. In which areas and, in particular, on which properties will this be likely to be carried out?

Mr G. N. SMITH: I am not certain of that. I will ask one of the officers to tell me that, but I will tell you a bit about it while they are looking it up.

As people on the land would know, controversy has raged for many years as to what the net effect of dingoes might be. In respect to sheep country, it is certainly not argued that dingoes have to be kept out. There is no argument about that whatsoever. But there is an argument about cattle country—whether the money spent to keep dingoes out is warranted.

The CHAIRMAN: Thank you, Minister. The time allocated for questions by non-Government members has expired. Mr Hobbs may wish to pursue that question in the next period of questions from non-Government members. I now ask Mr Bob Dollin, one of the Government members, to proceed with the questioning.

Mr DOLLIN: Page 6 of the Portfolio Program Statements refers to the transfer of the Land Court to the Department of Justice and Attorney-General. Why is the Land Court being transferred to Justice and Attorney-General, and when will this transfer take place? Will you please explain how the transfer will benefit Land Court decisions and the beneficial implications of the transfer for your department?

Mr G. N. SMITH: I need to go into the history of it. In December 1994, Cabinet endorsed a proposal to create the new court to deal with all

land, planning and environmental matters—to put it all under one jurisdiction. That will include, as you suggest, the matters presently dealt with by the Land Court. The new court will be a division of the District Court. Funding, staffing and administration will become the responsibility of the Minister for Justice and Attorney-General.

The background is that an interdepartmental committee was established earlier this year to facilitate the establishment and early operation of the new court, and the departments of Justice, Lands and Housing, Local Government and Planning were represented, along with the Office of the Cabinet. Agreement has been reached between Lands, JAG and Treasury—which was approved by the Cabinet Budget Review Committee—on the amount of funding to be transferred to operate the new court. Although the enabling legislation to establish the new court is not expected until the second half of this year, it has been agreed that the funding transfer take place from the beginning of the 1995 financial year, with all subsequent costs being met by Justice and Attorney-General.

The point I should also make is that, until such time as the new court comes under the formal responsibility of Justice and Attorney-General, the Land Court will continue to operate as it has before. There is something of an unexpected backlog. In recent times, we have transferred the deputy director-general over to the Land Court as an acting member for a period of three months to bring the backlog back to the lowest possible level so that, when the transfer occurs, the outstanding number of cases will be at a minimal level.

Mr DOLLIN: More and more Queenslanders are choosing to live in units and strata-title complexes in Brisbane and major regional centres. This style of living invariably has its own set of problems as people share common facilities and property and come into contact with each other on a regular basis. Naturally, personal and legal conflicts arise from time to time, and these conflicts have to be mediated by an independent arbiter. I refer you to page 7 of the PPS, and I ask: how many cases are handled by the referee's office on a yearly basis, and what is the cost of sustaining this mediation?

Mr G. N. SMITH: I think that I dealt with the numbers in answering a question asked by Mr Hobbs. The money involved is not substantial. The estimated actual and the budget figure for the previous financial year was about \$215,000. We expect that this year it will be about the same—\$213,000. People who live in units sometimes experience a lot of anxiety and concern. As I mentioned, the new legislation will certainly enhance the power of the referee, but I should elaborate on that and say that many people are very emotionally involved in their issues. There is sometimes great difficulty in separating out the formal rights and wrongs in what amounts to the personality conflicts which occur in these buildings—sometimes between the letting manager and the residents. I do not think that anyone has a solution to that. All we can do is strengthen the

legislation—and if we make it more pro-active that will occur—and see how it goes. If we see that other measures can be taken, we will do that.

It is a bit like tax loopholes. Some of the players are always ahead of the game, always ahead of the legislation. As quickly as we plug one loophole or one area of concern, those people who are in the percentage market, if I can put it that way, seem to have the ability to find loopholes to get around these matters. We cannot really put legislation in place in advance of those things happening. We will look at them as they do occur, as inevitably they will, and respond to them as best and as quickly as we can.

Mr DOLLIN: You have answered my next question in part but I will still ask it. Over the past few months, Lands Department officers have conducted significant surveys throughout Queensland to assess the build-up of spur-throated locusts. I refer you to the last paragraph on page 16 of the PPS document. How many staff will your department commit to investigating the problem and what is the cost involved with this staff?

Mr G. N. SMITH: I should be able to tell you that. The proposal for this financial year is 5.3 full-time equivalents, which is up from 1.1 for the previous year. What was the other aspect of the question?

Mr DOLLIN: How many staff will your department commit to investigating the problem and what is the cost involved with this staff?

Mr G. N. SMITH: I have answered that as far as staff is concerned. However, I think it is also important to note the other people who are involved. In this most recent outbreak, we also contracted people from the Plague Locusts Commission. That commission has an interest in this. It does not have a responsibility to control locusts in that part of the country, because unless there is a threat of interstate migration, its charter does not provide that it has to become involved at its own expense, but nevertheless it has a lot of expertise. We effectively engaged that commission to provide assistance for this outbreak. So the knowledge of that commission is very great. We also received support from at least one entomologist from the DPI. Ross, did we have anyone else involved in that?

Dr HYNES: All of the regional inspectors in that area have been involved.

Mr G. N. SMITH: Yes, but that is their own staff. I am talking about outside.

Dr HYNES: Our extension officer from Charters Towers has played an important role in communicating with the growers who have been affected by the infestation, and that person has acted as a liaison officer for all the parties who have been involved.

Mr DOLLIN: Still relating to pests—some months ago, your department carried out control trials on mice on the Darling Downs due to a localised plague that was affecting sorghum crops. What was the cost of those trials in relation to the 1994-95 expenditure on weed and pest animal

research and control as listed on page 19 of the PPS?

Mr G. N. SMITH: Last year, it was \$0.05m and it is proposed to be \$0.18m for this year. The monitoring of mice populations has been directly undertaken by the Department of Lands and the results of monitoring are input into a computer-predicting model which is developed as an aid to predicting mice numbers up to six months in advance. I am told that, in September 1994, the results of monitoring indicated an increased potential for plague numbers to occur in the summer of 1995 and follow-up monitoring in November confirmed the early predictions. Both the State Government and the Queensland Graingrowers Association were notified of the potential for mice damage to those 1995 summer crops. This report of increased activity was actually noted as early as January 1995.

Significant falls of rain in late February and early March actually retarded the mouse population increase on most of the Darling Downs, but a few isolated areas remained threatened because they did not have significant rainfall. Towards the end of autumn, with no appreciable rain for a few months, mice numbers were again increasing and posing a threat to the late planting of some crops. There is an acceptable pesticide for rodents, but I understand it is currently unavailable for the control of mice population in grain crops. I think you would all be aware of that. This is very important from the point of view of the feedlot industry, and everyone is, of course, very sensitive about what grain they use because of the problem of residuals. The same thing applies with the locusts that we talked about before. This is why we have to be very careful with what we use. Okay, we may save the crop but then, if it gets into the food chain of the cattle industry, we have much greater problems.

Some trials that are being undertaken using baited grain were successfully implemented in a field crop in the Dalby area. Finally, plans are currently being made to significantly expand the rodent research effort in 1995-96 in conjunction with the Grants Research and Development Corporation. So, as much is being done as can be done.

The CHAIRMAN: I would like Mr Szczerbanik to continue with the questioning by Government members, but before doing so, I would just ask again that, for the benefit of Hansard, the gentlemen at the table identify themselves before they answer questions.

Mr SZCZERBANIK: I would like to continue with questions on pest control. Siam weed is considered to be one of Australia's worst potential weed problems and was recently found in the Tully/Mission Beach area. Its discovery quickly sparked an intensive eradication program through a cooperative effort between your department and the DPI. I refer you to the key outputs section on page 17 of the Portfolio Program Statements. Would you outline what your department is doing to prevent further outbreaks of this terrible pest?

Mr G. N. SMITH: It certainly is a success story, because the department had put in place

contingency plans over a number of years to basically determine how to address some emerging and unexpected threat. So, when the siam weed was discovered—and I might say that it was discovered accidentally—the department was very well geared and it swung in resources from all over the State to address that particular problem. It was a very difficult problem, I might add, and a lot of credit should go to the officers who were involved—it was very difficult terrain. As far as we know, all outbreaks have in fact been treated. There is a monitoring program to go back to ensure that there is no regrowth or, if there is, that that regrowth is treated. I actually went up myself and had a look at the area in which the outbreak had occurred. It is fairly daunting with all of that high cane material growing up to about nine or 10 feet. I could say a lot about just how tough that area is.

Further to that, of course, credit should not only go to the guys who have dealt and will deal with this problem, but also to the fact that we have embraced a major education program to ensure that the public has an awareness of the dangers of siam weed. It is probably the worst new weed threat the country faces. At some expense, the department placed advertisements on television to increase the public's awareness of the possible presence of that weed.

There is something else that I should mention. The Department of Lands did in fact gain recognition for the siam weed eradication project from the Standing Committee on Agricultural National Research Management, and the funding for the eradication will be as follows: 50 per cent contribution by the Federal Government, 25 per cent by the Queensland Government through the Department of Lands and a 25 per cent contribution from other State Governments. I believe that that really serves to demonstrate just how seriously this particular pest has to be treated. So, it is not only our own State that has recognised this problem, but it has also been recognised by other States as being something that could have devastating consequences for the whole country, hence the support of other State Governments and the Federal Government. I am told that there is in fact something like \$800,000 available over a period of five years if that amount of money is required. So, there are certainly adequate funds to address that problem.

Mr SZCZERBANIK: Page 14 of the Portfolio Program Statements refers to pest management strategies. The cost to not only Queensland but also Australian rural producers is about \$100m a year in lost production, and millions more in environmental costs. Some say the rabbit could be the worse environmental plague ever let loose in this country. Outline your department's work in combating the rabbit plague, especially in the production and the distribution of the Spanish flea, which I understand is now being exported to New South Wales.

Mr G. N. SMITH: Rabbit control is undertaken at two levels in the State. Firstly, within the Darling Downs district there is a rabbit free zone, maintained with the aid of fencing and traditional

means of control. That particular approach is unique to Queensland. I think about \$530,000 a year is collected and spent on it. In the rest of the State we use inoculation of myxomatosis and poisoning programs, which involve expenditure of about \$300,000. The concept of spreading myxomatosis by fleas is not new; it has been in place for some period. The fleas that were previously used did not necessarily stay with the rabbits all the year round, so it became necessary to reintroduce the flea. Because of higher temperatures in Spain, the Spanish flea is much more effective, in that it will stay with the rabbit population all the year round. Once introduced, it should not be necessary to have to reintroduce it several times during the year.

There is significant information coming out, and these things do take time to make an impact, that the Spanish flea is already making a very welcome contribution to the elimination of rabbits at a number of sites where it has been introduced. We have about 100 release sites and I was present when the fleas were first released. They are used at sites from Gladstone in the north to Stanthorpe in the south east and areas in the west. It is generally thought to be the most effective strategy that has been put in place to date. You would also be aware of the introduction of a rabbit virus. I will ask Ross Hynes to talk about that, because I am not certain how far it has gone.

Dr HYNES: As a third tool in the kit bag, the rabbit Calicivirus is being presently investigated.

Mr SZCZERBANIK: Page 15 of the Program Statements makes reference to rubber vine management. Minister, your department carried out a successful trial this year on the noxious weed which is causing millions of dollars of damage to the environment and costing rural producers millions in lost production, especially in the Gulf region. Again, this vine is not a native to Australia. What biocontrol agents were used in the trials and where did the agents come from? How does this agent attack the rubber vine and what are the costs associated with the trials?

Mr G. N. SMITH: The rubber vine is a woody vine which completely dominates other vegetation where it takes hold, particularly along water courses and adjoining river flats. It is estimated that the impact on the beef industry is about \$10m a year. It is a significant threat to biological diversity, as you can imagine and, ultimately, it is a threat to ecotourism because of the way it takes over the whole area. Again, as I have mentioned before, it does have the potential to spread across the northern part of the country. The department has maintained a research program on rubber vine.

The CHAIRMAN: The time period allocated to questions by Government members has expired. I ask non-Government members to continue with the questioning.

Mr HOBBS: I refer to page 58, paragraph two, in relation to statutory assessments in the Land Valuation Program, which provides annual land valuations, etc. I refer to the proposal to introduce site valuations in urban areas of Queensland.

Referring to your department's suggestion that rate capping and differential rating be applied, particularly to those councils which have developed canal estates and low-lying areas of land over the years, can you explain how you propose to implement this initiative?

Mr G. N. SMITH: Very easily: I do not. You are talking about a proposed discussion paper. It has not gone beyond that stage, and I have no present plans to take that any further.

Mr HOBBS: I have seen a paper that is circulating in some of the local authorities telling them how to do it.

Mr G. N. SMITH: There has been no agreement on it. It is a discussion paper and I have elected to take that no further at the present time.

Mr HOBBS: I note you are also doing away with concessional valuation on single dwellings and farming land for the purposes of determining unimproved capital value, which will mean a strawberry farmer in Redlands or a widowed pensioner in Inala will have increases of 30 per cent in their valuations which will flow on to council rates and possibly land tax. What mechanisms will be put in place so that these local authorities will be able to clearly identify those parcels of land and rate them accordingly?

Mr G. N. SMITH: One of the proposals of the review of the Valuation of Land Act is that land should be valued as its highest and best use, and that the question of concessions ought not be one for central government but for local government. That has not been put in place. It is still out as a discussion paper and no decision has been taken.

I thought we went through this last year, as the issue has been around for a while. It could be argued that local government is better placed than central government to determine what concessions ought to apply to particular areas and particular industries. We are trying to get a simplified valuation system so there will be one valuation regardless of what local governments might want to do. That would not be binding on the local government. We are simply saying that it would be simpler to administer if the central government had a single valuation rather than concessional valuations. Local government has always had the opportunity to apply a differential rating system. The local governments are, to some extent, indicating they are not very keen on that. They would rather leave the onus on the central government so that they do not have to get involved. I think they are avoiding their responsibilities, because they are best placed to make those decisions. At this point, that has not proceeded. There is no legislation in the House, and none is proposed. It is the subject of one of the many discussion papers issued as part of the consultation process.

Mr HOBBS: The document I have says the department wishes to work with local governments for as smooth as possible implementation of the proposals commencing for the 1996 valuation. Quite clearly it is on the agenda. How can you explain to those people who are going to have huge increases in their valuations? What are you

going to do with the strawberry farmer in Redlands? How can you justify an increase of rates for those particular people without some compensatory factor put in place?

Mr G. N. SMITH: I am not suggesting that there should be. I am simply saying that the agency which brings about that compensation or that adjustment could well be local government rather than central government. There is nothing before the House. We are just about into the 1995-96 financial year, so there is no possibility at all that that is going to occur.

Mr TOOLEY: I am not quite sure what document you are quoting from, but there definitely are not any proposals at this stage.

Mr G. N. SMITH: There is a discussion paper.

Mr TOOLEY: There is a discussion paper out, but there is no legislation proposed at this stage that would allow us to change the present system of rating annual valuations in Queensland.

Mr HOBBS: Obviously this has been well circulated—I have got one.

Mr G. N. SMITH: We consult widely.

Mr HOBBS: That is quite true. If this program goes ahead as it says here, there must be something in place or some process that will allow a compensatory factor in relation to those valuations. New South Wales has a system whereby the valuing authority in fact tags those particular properties that the shires nominate; therefore they have a concessional valuation placed on them. Will that be what is proposed here?

Mr G. N. SMITH: I answered before. I said that the council already has that ability.

Mr TOOLEY: In the consultation process it has become quite clear that the local governments are not comfortable with taking over the full concessional approach. They feel that they are somewhat close to home. Their approach is that they feel that the department is somewhat more removed from their local areas than they are themselves. They feel more comfortable with the department doing it. If it were to be advanced, there would be a lot of negotiations as to what processes would need to be put in place, and we have not got to that stage at all yet.

Mr HOBBS: In relation to site valuations, there will obviously be a difference compared to the other states. There will have been some process—

Mr G. N. SMITH: I have knocked that out of the ring.

Mr HOBBS: I refer to page 12, paragraph 5 of the Program Statements. You talk about major program issues and intergovernmental agreements. What are those agreements? Can a copy of that agreement be supplied to the Committee?

Dr HYNES: The intergovernmental agreement that I think you are referring to is the agreement with the Commonwealth Government and all States, and it is the agreement which requests States to comply in a cooperative way with

the management of environmental issues, planning and the management of resources.

Mr HOBBS: Is it possible that we can get a copy?

Dr HYNES: It is a public document and it is available to all of us.

Mr HOBBS: I move on to page 13 dot point 2, development of biological control techniques, and I refer to the development of biological control techniques to reduce the impact of pest plants in Queensland. Can you nominate the target areas overseas or within Australia where this funding will be spent?

Mr G. N. SMITH: I will hand over to Dr Hynes.

Dr HYNES: Our overseas programs are conducted on three continents, North America and adjacent Central America and Mexico, South America and Africa, and also Madagascar. What we seek to do is to explore in those areas for the likely most effective insect or pathogen that lives on the target pest and evaluate that through a whole series of steps with regard to its most appropriate use for biological control in Australia. The Department of Lands in Queensland is one of the forerunners in this field in Australia. It attracts substantial external funding to continue with this process and it will continue with this process in Africa in the coming years. It has an officer in South America working on this area and a network of contacts in North America which work cooperatively with the CSIRO.

Mr HOBBS: I was very concerned last year when you brought home most of those people who were doing some work overseas and some more funding was provided. However, as Dr Hynes has just mentioned, one person is overseas now. Should we not really be putting a full contingent in the field and fund that?

Mr G. N. SMITH: We just found that it was not cost effective to maintain people overseas on a full-time basis because we have very good relationships with other scientific organisations in other countries which can supply the sort of information that we need from time to time and conduct monitoring programs at a much lesser expense than having our own people on site at all times. We send people overseas when it is necessary to do so. Just to have someone there with all the costs associated with that compared with getting the information from national organisations which are part of an international cooperation is not good economic sense. That was certainly run past me thoroughly at the time and I am satisfied with the way we are going. We are losing nothing and we are saving money that can be spent more effectively in other areas.

Mr HOBBS: Is there a possibility in the biological control area that we can do more in relation to genetic engineering within the existing bugs and rust? Can we do more in that area? We are wasting our time spraying with chemicals. It is a temporary measure to control noxious pests and weeds. We really have to get back into the biological control areas. I cite, for example,

myxomatosis for the rabbit and cactoblastis for the pear. We have rubber vine, we have prickly acacia and numerous others, including parthenium, still out of control and getting worse. The only way that we are really going to solve the problem is biologically. We have to do more. Are you looking to do anything in relation to genetic engineering?

Mr G. N. SMITH: Everyone would like the magic bullet and nobody would disagree with what you are saying, that that is obviously the way to go. Because we had success many years ago with the prickly pear with one particular insect, people generally have a view that you just keep looking and you may find one particular insect or virus that will do the job entirely. That is generally unlikely. It is likely to be a combination of a number of viruses, a number of agents, or protective means. Yes, we can spend more money on it and we are spending more money, but I think that the biggest thing we need is the time to trial. It is quite a complicated business to trial them and have them approved for introduction into the country. I might have to ask Ross to run through the steps that have to occur to bring these things into the country and the time that is taken up.

Just to give you an idea, the funds allocated for biological control for this year appear to me to be about \$1.25m, and research into herbicides is almost \$600,000, which is quite a lot of money. I come back to the fact it is not just money; it is time, it is the availability of suitably qualified people and it is the opportunity to actually conduct that research. Ross, you might like to make a comment about that. I am looking for support by way of comment to the Committee as to what are the restraints. I believe it is mainly time, but you may have some further information on that.

Dr HYNES: Ross Hynes, Land Sustainability. It is a high risk area—biological control research—and it needs to be carried out with the greatest care in terms of investment of resources of Government. To seek to minimise that risk, we work through a series of closely monitored steps through the exploration phase, the importation into quarantine—that is, high-security quarantine—where we test them using a group of species that are local species as well as the target species. In turn, when that is shown to be target specific, it can be mass reared at a second level of quarantine security and then released for trials in the field. That can be done with either insects or with pathogens. Currently, we are on the second strain of rubber vine rust, which is indicating a high level of suitability. That is the length of the process. But it is only one tool in the tool kit. As the Minister has indicated, it has to be part of an integrated approach. There are many ways to approach pest management.

Mr HOBBS: I point out that when we had the rabbit plague and the pear problem there was enormous effort—a superhuman effort—to do something. I do not think that there has been enough pressure put on Governments to do something about this issue. What is the total number of staff dedicated to biological control measures?

Mr G. N. SMITH: It is a considerable number—last year, 20.5 full-time equivalents, and this financial year, 1995-96, 25.5 full-time equivalents.

Mr HOBBS: I move onto page 13, paragraph 7 in relation to stock routes. The stock route network is a very important one, particularly in time of drought. I note that an extra \$1m will be allocated to the enhancement of stock route facilities in 1995-96. This funding has been sadly lacking in the past and can be viewed only as a catch-up program. Will you continue to milk local authorities—

Mr G.N. SMITH: What was that word?

Mr HOBBS: Will you continue to milk local authorities for stock route funding or are you happy with the present funding process? You are going backwards, are you not? You have been providing less funds each year and local authorities have been paying more.

Mr G. N. SMITH: I am not quite certain what "milk" means in that context. What you are really talking about is a precept, and we discussed this last year. I made the point also that, with the special funding that was made available last year, a lot was done to enhance the contribution being made by Government compared with local government. I also remember making the comment to you that the contribution by local government, by and large, is less than it would appear because of the Commonwealth grant situation.

Mr HOBBS: It is more than the State's.

Mr G.N. SMITH: I think that the program is called a "positive initiative" and they become eligible for partial refunding through the Commonwealth grants system. So, while it might appear to be roughly dollar-for-dollar, by and large, local government is refunded quite significantly. I do not think that we have been milking local government. It will always have to be a cooperative effort.

The sort of things that will be done with the funding that has been mentioned will be pretty basic things, although it will also provide employment opportunities because a lot of this work will be carried out by councils or local graziers. Except for some of the bore work, it does not require special equipment. It will inject money into the community at large. When you say that funding had slipped, I think it would be fair to say that, until the 1991-92, 1992-93 years, stock routes had not received all that much attention. It was only when the heavy drought came on that all and sundry became aware that stock routes still had a very valuable role. Before that, I think they had been undervalued.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I ask Mr Szczerbanik to continue with his question.

Mr SZCZERBANIK: I continue on the subject of pest management. The dingo barrier fencing plays a large role in the Lands Department's wild dog control measures. The fence needs ongoing reconstruction and repair work and is patrolled weekly by experienced officers. Could you

please tell the Committee what is the cost of maintaining the fence?

Mr G.N. SMITH: Yes, I can. The budget this year was \$1.18m. Next year, it is going to be \$1.22m. That is an increase of \$135,000. That increase was provided to enable materials to be stockpiled to a greater extent. Twenty-one staff have been maintained on the dingo barrier fence. A suggestion has been floating around that the number of people working on the dingo barrier fence has been reduced. That is not true. Some considerable damage to the fence existed along the Bulloo River channels, the Blackwater Creek channels and the Cooper Creek channels. Repairs and reconstruction were carried out in those particular areas, which amounted to some 40 kilometres and cost almost \$88,000.

A strategic plan for the dingo barrier fence has been developed in consultation with the industry and the plan serves as a guide to ongoing construction and maintenance of the fence. It is fair to say—and I doubt very much that Mr Hobbs would disagree—that the fence is in better condition now than it has been for the past 20 years. I have been out there. There has been expenditure on new graders which help immensely to increase the productivity of the people who work on the fence. I think that everyone associated with the fence has grounds to be proud of the maintenance of that particular facility. Obviously, we are continuing to treat that as if it is going on forever. Mr Szczerbanik, we talked before about the trials that are being carried out to determine the extent of damage created by dingoes and to address that on a scientific basis. Until such time as we have very hard evidence one way or another, we will maintain a very positive and full effort to maintain the dingo fence.

Mr LIVINGSTONE: I refer to pages 13 and 14 of the Portfolio Program Statements, one of which states that new initiative funding of \$1m is to be provided to carry out urgently needed capital works and improvements to stock route facilities. I ask: what benefits are the users and residents of Queensland going to get from this expenditure and where is this expenditure to occur?

Mr G. N. SMITH: Of course, the stock routes are divided into primary and secondary, and another way of categorising stock routes are those with bores and dams and those without. So we have to re-evaluate some of them and look at things like key water facilities, bores and dams. That assessment and work will be done in consultation and, in some instances where we can see that they need upgrading, in conjunction with local governments. As I mentioned before in answer to a previous question, the amount of money being spent in 1994-95 is \$130,000. So there has been money going in there continually, but we are certainly taking a big step this year.

One of the problems that has occurred with stock routes are the so-called dry stages. They are being investigated to see if extra facilities can be provided. That is really talking about perhaps a better water supply—maybe we need to put down new bores; maybe we need to refurbish some of

those bores. That is important. In recent years, there have been significant increases in the number of travelling stock, but those routes—and I think you asked the question, "Where?"—are mainly in the north west, the central west, the south west and on the Darling Downs. Another of the objectives will be better management of the condition of the routes in terms of fodder through the establishment of monitoring sites at regular intervals along the routes. I think that it is fair to say that at the moment—not so much now, but it was previously catch-as-catch-can—we need to have, and everyone needs to have, a greater idea of just what the condition of the stock routes might be.

The director-general has just pointed out to me that it is a three-year enhancement program. That was touched on before. That is primarily in the area of the stock routes that we are talking about. I am more than happy to make a copy of that available to anyone who may wish to consider it in further detail. The benefit to the people of Queensland in doing this is the recognition that the stock route network is an irreplaceable community resource.

Mr LIVINGSTONE: The State's stock routes have played a very important part in the emergence of the Queensland cattle industry. They are a multifaceted use, being used not only for the important transport system but also as an emergency fodder reserve in times of drought and hardship and for conservation purposes. I ask: what has been done in the past to maintain the system of stock routes and what are we doing to maximise the potential of this valuable resource?

Mr G. N. SMITH: As I mentioned before, we are putting together a database on the stock route network. That is going to put it on a more formal basis than it has ever been before. In fact, that is well and truly under way, and that has allowed identification and categorisation of stock routes of importance to travelling and depastured stock. It is these routes that have been targeted in the budget initiative. They are the ones that I showed you before. The database will also be used to construct the asset register of equipment at Government watering facilities and to enable us to identify equipment that requires upgrading, repair or replacement.

Quite apart from the management of the fodder reserves and the watering points, we are looking at things like the construction of overnight holding yards near watering points, especially where there are highways near the stock routes and signposting at regular intervals along the routes to help drovers identify their approved route of travel and to help them to observe the required speed of movement. Those sorts of things are important to those people out there actually doing the job. It is all very important information and important requirements. Signposting will assist in recording the location of areas of conservation along the routes.

In respect of conservation, because stock routes have not been subjected to clearing and other modification in the way leased properties have been, the stock routes remain a very, very important resource in terms of biodiversity. In many areas, it will be only on the stock routes that some species

remain that, in fact, have been removed from very large tracts of country. I think I touched on this before, but I will just restate the point: this initiative is going to create opportunities for local land-holders to carry out tasks, particularly things like cleaning out bores. If they have a small bulldozer or something like that and they are on site, it would be much easier to engage those people to do that work than to bring in people with large equipment from far away.

Mr LIVINGSTONE: My colleagues the member for Warrego and the member for Albert asked questions earlier in relation to some of the critical weed problems that we have. As you would appreciate, the various estimates of damage caused to the Queensland economy by noxious weeds are quite alarming, with some estimates ranging as high as \$500m a year. A good many industries and other community groups have expressed their concern not only about the spread of weeds in the State but also about the potential for the further spread of such weeds throughout Queensland. I think that we all appreciate that, with the very severe drought that we have had, when this drought actually breaks fully, we are going to have the problem of parthenium and rat-tail grass emerging from the parched earth. On page 2 of the PPS, reference is made to accelerated weed control. Could you elaborate on what your department is doing to combat these weeds?

Mr G. N. SMITH: This is very much a hands-on exercise. We are actually going to employ 22 additional people, who will be located where necessary around the State—and that does not mean that they will not be moved. Fifteen of those people will be essentially hands-on workers involved in those weed control operations. As I mentioned before, they will be local people. To support those 15—and this is important—we are going to have a couple of additional research scientists, two extension officers and two technical assistants. So the problem has been recognised. As you mentioned, weeds are estimated to cost Queensland something like \$500m a year. Those three that I mentioned before, rubber vine, prickly acacia and mesquite are the ones that have to be dealt with because, as bad as we may think them to be at the moment, they have reached only a fraction of their potential area of distribution. So money spent now to prevent their spreading will certainly be a very big and worthwhile investment in the future to avoid, frankly, massive outlays.

There is one other point—and I have an idea that I might have touched on it before—and that is that the project that we are talking about is based on goals within the draft national weed strategy, the national strategy of ecological sustainable development and the national strategy for the conservation of Australia's biological diversity. I guess that is fairly technical stuff. The people from organisations such as the Queensland Landcare Council, the Queensland Conservation Council and the Queensland Farmers Federation, not to mention Greening Australia, have at various times all expressed their concern about the spread of weeds in the State. I might just ask Ross if he wants

to say anything more about the actual goals and their compliance with these various agencies.

Dr HYNES: Currently, we are working very closely with the Queensland Landcare Council to develop a pest management module for inclusion in the property management planning activities that they are encouraging Statewide. We are also linking activities with integrated catchment management so that regional or strategic planning can be achieved for pest control covering whole catchments. We are working very closely with local government so that pest management plans can be produced and attached to budgets that then can be aggregated for regional pest control.

The CHAIRMAN: I ask Mr Dollin to continue the questioning.

Mr DOLLIN: We have already heard about the initiatives to improve the stock routes and programs in regard to pest management. Can you inform us what your department is doing in addition to these in the area of land sustainability?

Mr G. N. SMITH: I will refer to the key points. A three-year weed control initiative is linked with a number of Government community programs to ensure the success of projects directed towards the eradication and control of pests such as honey locust, which is spread over a significant number of locations in Queensland. Siam weed is being eradicated in the Tully area by local government officers with the assistance of national and interstate funding, as I mentioned before. The eradication of thungbergia in the far north is also supported by local government. The eradication of tobacco weed in an area near Sarina is being carried out by land-holders and local government officers. A noxious bush infests the foreshore areas of places such as Stradbroke Island, Fraser Island and Inskip Point. The DEH has an interest in that program.

We are eradicating groundsel on railway reserves, including those in Brisbane, and on unallocated State land. That is really the modern expression for what was previously known as vacant Crown land. Prickly acacia is being eradicated mainly in the north west. We have touched on the problem of rubber vine. Parkinsonia infestations along the Alice River near Barcardine and Elizabeth Springs near Boulia are being eradicated. Again, local land-holders have quite a significant involvement in that initiative. Mesquite is being eradicated in the Bulloo River system near Quilpie. I will not go into any further detail, because I have mentioned this previously.

Mr DOLLIN: The Regional Open Space System has been accepted by all sections of the south-east Queensland community. It is a visionary project which seeks to set aside significant tracts of land as open space. This will stop urban dominance in the south east and contribute to a better quality of life for present and future generations. I note that on page 47 of the PPS your department is referred to as the "lead agent" for ROSS. As we know, this lead agent role has shifted. Is there any residual cost to your department with ROSS recently being

transferred to the Department of Housing, Local Government and Planning?

Mr G. N. SMITH: No. Although the role of lead agent has been transferred to another department—and for very clear reasons—the Lands Department still has a very significant involvement with ROSS. The areas that we will be carrying on with are clearly delineated within the Budget. There is no net loss to the department in relation to that transfer. I would like to say a little about ROSS, because it is part of the Government's response to growth pressures identified during the SEQ2001 study. ROSS will provide an accessible regional open space system integrated with the future settlement pattern of SEQ so that the region becomes renowned for its livability, natural environment and economic vitality.

ROSS will provide open space as a buffer and backdrop to frame urban development and also for public recreation, conservation environmental and other purposes. I will touch on some of the things that have been achieved in 1994-95. The initial ROSS concept plan was refined as part of the subregional structure planning process, which I think we all now know a lot about. Local government planning schemes have been evaluated to determine the level of protection that they give to ROSS values. Priority target areas for protecting and securing ROSS were determined from an assessment of proprietary and regulatory options. Ongoing development and maintenance programs for ROSS have been implemented. A strategic plan to guide the ROSS program during the period 1995 to 1999 has been prepared together with the operational plan for the next financial year.

As to the nitty-gritty—properties have been purchased based on the extent to which they satisfy criteria that determine ROSS values and also in relation to the level of threat from development, the need for public access and other relevant matters. By 30 June, property purchases will include the Ewen Maddock Dam, the Settlement, which is close to the New South Wales border, and an area known as Mount Neurum. We will continue to provide input to ROSS through land planning advice as part of core business and services. Valuation and acquisitions will be provided on a fee-for-service basis. Lands will retain responsibility for the south-east Queensland Data Acquisition Program, which is probably the most important aspect and one that I should mention. It is a five-year project, with special funds totalling \$4.77m.

The CHAIRMAN: The time period allocated for questions from Government members has expired. Minister, you indicated that the Committee could have a copy of the document that you referred to before. We would like to receive it. We will examine it to see whether any of it should be incorporated in our report. Mr Hobbs?

Mr HOBBS: I refer to page 15 and the management of broad-scale tree clearing on the State's leasehold land.

Mr G. N. SMITH: I thought you might.

Mr HOBBS: You stated in your press release of 12 July 1994 that local tree-clearing working

groups will finalise the guidelines and the whole group will have to endorse the guidelines before they are recommended to you for approval. Minister, why did you go back on your word?

Mr G. N. SMITH: I think I have been pretty liberal in answering your questions. We are supposed to be talking about forward Estimates. I have answered questions from you on notice and in the Parliament. With respect to tree clearing and management, a Cabinet subcommittee has been set up. More importantly, a working party composed of a number of representatives from the Cattlemen's Union, the United Graziers Association, Landcare and grain growers has been set up. Those people have been given the opportunity to examine the technical evidence. At the moment, the committee is being chaired by another Minister, but we all have an involvement in it. I do not propose to go down that track, because it is not really part of the Estimates. I reiterate that it is at the working party stage. Those guidelines are draft guidelines. I know I am repeating myself. I have said this before, but it is obviously necessary that I say it again. Final guidelines for tree management are due to be considered in December. I will not pursue that issue any further.

Mr HOBBS: Tree clearing is well documented throughout the Portfolio Program Statements. Obviously, costs are associated with that. How many personnel have been involved in the formulation of the draft guidelines by your department?

Mr G. N. SMITH: I have quite a lot of information on the number of people and the cost that will be involved in what is proposed, that is, satellite monitoring, and the interpretation of the ground, trees and so on. I can give you more accurate information on that. The number of staff for 1995-96 will be 17. The budget for the coming year is estimated at \$4.2m, with a total cost over three years of \$7.7m.

Mr HOBBS: That is for the satellite monitoring, though, is it not?

Mr G. N. SMITH: Yes. It has just been drawn to my attention that not all of the staff associated with that project are necessarily within the Lands Department. Some are in DPI. Six will be located in the Department of Lands corporate headquarters. The remaining 11 will be located at DPI and engaged in image processing and other work.

I want to make a point about this issue. I have made it before, but I will put it on the record again. This is a good place to make this statement. The satellite imagery data that will be interpreted will be that for 1988, 1990 and 1995. I am being told—and it is all around the traps—that people are clearing at an accelerated rate in anticipation of an adverse finding on their estimate. The fact is that, provided they have the appropriate authority, they are entitled to do that. I would also caution people—and I sound this note of caution quite strongly—that anyone who is clearing illegally will be picked up because of the satellite monitoring program. I am saying that those who are doing it legally are fine;

they have no worries. But anyone who has attempted to go outside the guidelines or their authority undoubtedly will be picked up by this process.

Mr HOBBS: The Department of Lands is the lead agency for the issue of tree-clearing permits. Why is it that DEH has now taken over that role?

Mr G. N. SMITH: You are saying that, and you have said it before. That is not the case.

Mr HOBBS: For a start, there are more staff in DPI than there are in Lands—

Mr G. N. SMITH: The situation is that we are the responsible agency for issuing the permits. Assessing a property for development or to what extent clearing might take place has always been—or certainly for as long as this Government has been in power—a matter of discussion and consultation between the three departments. The prime role of Lands is in the administration of the leases. There are certain areas of expertise which exist in DPI and DEH which are not duplicated within the Lands Department, and obviously we make use of the expertise that is available. It would be quite counterproductive to duplicate it. But that does not mean to say that we lose our lead agency status.

The fact is—and I hope that people will take note of this, because there has been some unfortunate comment about DPI working to one set of standards and DEH and Lands working to another set of standards—

Mr HOBBS: That was the case.

Mr G. N. SMITH: That is absolute nonsense.

Mr HOBBS: It was the case. It was definitely happening. We had people up there doing it.

Mr G. N. SMITH: The standards have been determined by Cabinet as part of the Cabinet decision. The guidelines that had to be taken account of were confirmed by Crown Law. The decision maker is not the Minister of the other two departments or even me; the decision maker is the director-general or his delegates. Nothing has changed. I regret the amount of misinformation that has circulated on this topic.

Mr HOBBS: I refer you to page 15, paragraph 8. I note that a memorandum of understanding has been entered into with DEH and DPI detailing the process to be followed for the development of local guidelines for broad-scale tree clearing. I ask: what is that memorandum of understanding?

Mr G. N. SMITH: I think that is on the public record. It is a document signed by the three directors-general, and broadly it sets out the procedures to be followed. Essentially, the point of the memorandum is that, where there is some disagreement, it sets out the procedures to be adopted to resolve that disagreement. I will ask Mr Bob Lack to elaborate on that.

Mr LACK: Bob Lack, Program Director, Land Use. The memorandum of understanding was entered into by the Lands, Primary Industries and Environment and Heritage Departments to

document the process that would be followed for the development of local guidelines. That document, as I understand it, is being widely distributed and is available. It is not a secret document; it just sets out the process that will be followed.

Mr G. N. SMITH: May I just interrupt there? It is certainly something that was immediately made available to the working party. It was made available to groups of graziers that I have seen since those guidelines came forth. You obviously do not have a copy—

Mr HOBBS: I would like to get one, if I could.

Mr G. N. SMITH: I do not think there is any problem in providing a copy. I may have cut Bob off. Did you want to say something more on that?

Mr LACK: No, that is fine.

Mr HOBBS: Have Lands Department staff been directed to investigate the extension of draft tree-clearing guidelines on leasehold land and freehold land?

Mr G. N. SMITH: No.

Mr HOBBS: They have not?

Mr G. N. SMITH: No.

Mr HOBBS: Fine. Lands Department being the lead agency in relation to tree clearing, what allocation of funding has been made for compensation to leaseholders who find themselves disadvantaged by the new tree-clearing guidelines? You said that in December this year they will come in. People will be disadvantaged in some manner or form. There must be some sort of allocation of funding.

Mr G. N. SMITH: The answer is, "Nil." In terms of leasehold property—first of all, the leaseholder does not own the trees. The trees are the property of the Crown. The Crown, in some circumstances, gives the leaseholder the opportunity to clear that property. You are saying that if someone has purchased a lease and then that person may not be permitted to clear that land to the extent that they envisaged when they purchased the property, therefore the property is devalued. That remains to be seen. Again, the role of the department is not to pre-empt the market, and the market will decide. If in fact the market decides that, because those tree-clearing guidelines are in place, the property is worth less, that will be shown in the sales and it will be reflected in the lease rates. I am not saying that it will happen, but if there is some devaluation of the property, then the cost of the lease will be less.

Mr HOBBS: I refer to the security of tenure of leases that were given to people in good faith. I am not talking about sales in the future; I am talking about people who hold existing leases. Under a condition of those leases, they had to develop that land. They may find that they are not able to control regrowth—which is a distinct possibility—under the draft guidelines—

Mr G. N. SMITH: Can I pick you up on that?

Mr HOBBS:—and that type of thing. There will be increased timber retention. Your intention is

quite clear. You cannot just go out and say to those people, "In 10 years down the track, you will have one-third less income than you had before." You must give them some security of tenure.

Mr G. N. SMITH: Those are pretty wide assumptions. I repeat that the final guidelines may not be operating exactly when we hope that they will be. It seems to me that you are making assumptions when nobody is in a position to say that that will be the case or will not be the case. Certainly the last thing that the Government would want to do is impair the financial viability of properties.

You referred to regrowth. The simple fact of the matter is this: for all permits that have been granted since 1990, it will not be necessary to apply for a further permit to reclear regrowth. We require further permits for reclearing regrowth for permits issued prior to that time because the records that were required to be kept by the department prior to this Government coming to office are not adequate enough to base those decisions on. But we do have very accurate records of what has been agreed to since 1990, and there is no problem whatsoever in allowing regrowth to be cleared.

People should take on board the fact that there have been a significant number of instances where, instead of regrowth being cleared, certain property holders—not the good ones, and I would be the first to admit that—have chosen to go down the path of clearing virgin country rather than regrowth, simply because it costs less. The end point of that game is that you just keep on clearing forever; whereas it seems to me—and I think to most reasonable people—that once a property has been cleared, there is a very strong obligation on the land-holder to continue to maintain that property and keep it in the highest level of productivity.

Mr HOBBS: It certainly would cost a lot less to pull regrowth than it would to pull virgin land, though.

Mr G. N. SMITH: That is not necessarily so.

Mr HOBBS: I am quite certain that it is. I have been involved in it myself. Let me go on. You mentioned that there will be no compensation at this stage for those particular people who may be disadvantaged, and you also mentioned that you had no records of those people who had developed country before 1990.

Mr G. N. SMITH: No, I said that I had inadequate records.

Mr HOBBS: Quite frankly, you have done a run on those people's share market. You have effectively devalued their land, for a start. You have devalued the leases that they were given in good faith and that they accepted in good faith. Surely, there must be some sort of debate in relation to compensation. It cost South Australia \$70m-odd when it brought in some controls to pay out land-holders. Surely you are not going to say that in this budget there is nothing for compensation when in fact you hope to bring in these new guidelines in December?

Mr G. N. SMITH: Obviously, there is no compensation in this budget. We are talking about draft guidelines. We propose to have them in place by December; we do not know for sure whether they will be in place. We do not know whether we will need a longer time period or not. We could not possibly have an item in the budget to address the sort of things that you are talking about before we know what the likely impact may be. Bob, did you want to add to that before?

Mr LACK: Tree clearing is a privilege, not a right. It has always been a requirement to obtain a permit to clear trees. Even if a condition of lease required the undertaking of tree clearing, one still had to get that permit before a tree could be knocked over. I think that addresses your earlier question about conditions of lease.

Mr G. N. SMITH: I think I made that point.

Mr HOBBS: I refer to something similar. I am interested in the remote sensing and the information provided through satellite imagery and the cost of establishing that information for the benefit of the taxpayer. Can you clearly outline what is proposed to be spent in this area over the next three years?

Mr G. N. SMITH: Essentially, it is about the interpretation of the data. Basically, the data is available. We can have new data down the track, if you wish, but at the moment it is about interpreting three sets of data: 1988, 1990 and 1995. I think there was something like \$7.7m over three years, but part of that—and you asked me about staffing—involves the 17 staff members who were referred to. There were also costs associated with an expression which I am not certain is a really good one but is known as "groundtruthing", but I will call it a verification of the interpreted data. That is what it is about. It is really to check on-ground that the interpretations that have been made from the scanning are in fact correct. We would have to do that from time to time. It may be that there are compensating factors that have to be put in place with that interpretation.

Mr HOBBS: Will any funding for satellite imagery come from DEH or will it all be Lands Department funding?

Mr G. N. SMITH: It is not a question of from where it comes, it is a Government commitment of \$7.7m. I think that that money covers the cost associated with DPI. I am not aware of there being any additional budget items.

Mr HOBBS: But will the \$7.7m basically be coming out of the Lands budget? Is that what you are saying?

Mr G. N. SMITH: Well, it is administered by the Lands Department, but it is extra money. Peter has some more information on that.

Mr PHILIPSON: My only comment is that the total of \$7.7m is over a number of departments; it is not purely Lands Department.

Mr G. N. SMITH: But we have the administration of it.

Mr HOBBS: What guarantee can Queenslanders have that all information obtained through satellite imagery will be available for public scrutiny?

Mr G. N. SMITH: FOI.

Mr HOBBS: I think that the information able to be received through satellite imagery should be open to the public so we at least have the correct information. Often, the information that we are using presently seems to be documented by one side or the other. What is really needed is an agent who can go out there and give accurate information, which will keep the debate on the straight and narrow.

Mr G. N. SMITH: I would see no reason whatsoever for any of that information to be withheld. To me, it is obviously going to be a matter of vigorous debate and the people involved in that debate, including the people who are involved in our working party at the present time, will need access to that information. It is widely available. Barry might want to make further comment on that. It is widely available.

Mr B. B. SMITH: I would think so. It is going to be essential information on which the working party will need to make informed decisions. I think this is one of the criticisms at the moment in terms of the tree-clearing exercises, that there is not sufficient information available to everybody to make deliberate decisions on. This information will be vital and necessary to all parties before decisions can be made.

Mr G. N. SMITH: There is something else I would just like to add to that. The fact is that anyone can get that information now; it is readily available.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I will ask Mr Dollin to continue questions from Government members.

Mr DOLLIN: Page 50 of the PPS refers to the maintenance of State land. Your department recently developed a State Land Maintenance Fund, the first of its type in Queensland's history. What is the cost of this initiative and could you give us a breakdown for the 10 regions?

Mr G. N. SMITH: Yes, I have that, thanks to the good work carried out by the officers. The expenditure by region to 31 May this year was \$148,550, that is: northern, \$6,595; Mackay region, \$47,183; central, \$4,473; Wide Bay, \$2,889; Sunshine Coast, \$19,606; Brisbane, \$18,427; South Coast, \$9,466; Darling Downs West, \$29,910; and Roadside Conservation General, \$10,000. That adds up to the figure that I mentioned before. The remaining funds for 1994-95 are committed and will be carried over to the next financial year to make up approximately \$500,000. That will then be available for the 1995-96 financial year.

Mr DOLLIN: Page 49 of the PPS mentions the Government Land Management System. Under that system, land identified as surplus to Government and community requirements will be

disposed of. Could you explain the system's operation and its administration costs for 1994-95?

Mr G. N. SMITH: I think that the GLMS has been a success story. There was some concern when it was first introduced, particularly from local government, but basically the purpose of the GLMS is: to maximise the benefits and returns to the people of Queensland through the coordinated management of Government real estate; to ensure that a corporate Government approach is taken in dealings involving highly sensitive, valuable and strategically important properties; and to provide a simple, streamlined framework for land administration and management based on sound land management as well as commercial principles.

Under the GLMS, prior to any disposals taking place, land identified as surplus by any Government agency must be assessed to determine the best use of the land and to determine what it is surplus to in respect to total Government and community requirements. In other words, it is not just sold off willy-nilly. Where land is found to have some intrinsic value to the community, that is, land suitable for reservation as a recreation reserve or a national park, steps are taken to retain that land under appropriate tenure and departmental management. Surplus land required by allotted Government agencies for operational purposes, that is, the typical police and fire station, is usually transferred in priority to other agencies at cost, that is, at real cost. The disposal proceeds are to be reinvested in new capital works and/or debt redemption, with provision for some alternative investment which is clearly beneficial to the Government. The measure ensures that the State's assets base is preserved. The Budget disposal for 1994-95 is \$150m, which has risen from \$65m in 1993-94 and \$35m in 1992-93. There are no firm estimates yet for 1995-96, as these can only be determined after consideration by the Property Review Committee, but it is expected to be \$150m or in excess of that figure. Administration costs, excluding money spent on developing land prior to its disposal, is approximately \$600,000 for this financial year.

Mr SZCZERBANIK: Page 49 of the PPS refers to the acquisition of freehold and leasehold land for public purposes. There has recently been a lot of positive media surrounding the State Government's acquisition of the AMP owned Davenport Downs pastoral holding. That area was identified as having the largest single remaining bilby colony in Queensland. As we all know, in an attempt to rescue the bilby from extinction, the Goss Government intends to proclaim the area a national park. That project was recently launched by the Minister for Environment and Heritage. Would you please outline the role of your department in the acquisition of this property?

Mr G. N. SMITH: This has been ongoing for a period of time and has ended happily. Part of the Davenport Downs pastoral holding was identified as a key habitat for the bilby, which is very much an endangered species. In order to preserve that habitat, the Crown proposed to acquire the area for national park purposes. In exchange, it cleared an area of Crown land of equal value, being part of the

resumed Springvale pastoral lease in Davenport Downs. Agreement was reached as to the area of Springvale to be included in Davenport Downs as compensation for the taking of the proposed national park area. The proclamation resuming the national park was published in the Government Gazette on 12 May, 1995. In regard to the area of Springvale not used for land exchanged, it is proposed that, following the issue of a lease to the State over the area, the lease will be transferred to the lessee of Davenport Downs for a consideration, yet to be negotiated. It has worked out well.

Mr SZCZERBANIK: I refer you to page 52 of the PPS. Bushfires are a fairly common occurrence in Queensland, especially in drought times. The loss of human and other life is saddening, but we must remember that fires have a potentially devastating economic impact upon individuals or sectors of the community. For instance, with the bushfires that swept the area around Bribie Island early last year, had the State Government not assisted in facilitating the salvage operation in time, a good deal more money may have been lost. Can you advise the Committee as to what measures your department has implemented to ensure that the risk of such devastating fires does not occur again and that damage is minimised as much as possible.

Mr G. N. SMITH: In 1994-95 funding was spent on creating firebreaks around parcels of unallocated State land and the preparation of fire management plans. During 1995-96 these initiatives will be expanded and a rural roads mapping project will be completed for Emergency Services. That will be important. Guidelines for departmental staff are also going to be prepared. The recent Queensland bushfire strategy report highlighted the necessity for the Department of Lands to implement plans and policies to combat the threat of bushfires emanating from unallocated State lands and unmanaged reserves throughout the State.

In consultation with the Director-General of Emergency Services, the Department of Lands is formulating fire management plans to promote hazard reduction practices on all lands under its control in the State. These are scheduled for introduction prior to the 1995-96 bushfire season. As part of these processes, local fire management plans will be prepared in consultation with local government and local firefighting agencies, including, where relevant, other department agencies involved in similar activities, principally the Department of Environment and Heritage and the Queensland Forest Service. The new initiative complements funding for maintenance of unallocated State lands and unmanaged reserves.

Mr SZCZERBANIK: I refer you to page 62 of the PPS. Your department provides 1.1 million annual valuations to more than 130 shires, a statutory requirement under the Valuation of Land Act 1944. The Act also provides for full and fair objection and appeal processes for property owners who believe their valuation is unreasonable. As most members know, they believe their valuations are too high. What is the cost of the valuations and

the objections and appeal processes, and how many objections were received last year?

Mr G. N. SMITH: The estimated actuals for this year are \$21.5m; for 1995-96 it is about \$18.5m. In actual fact, for this year there is an increase of valuations from 1.1 million to 1.3 million, which demonstrates the development occurring and the increased number of parcels. These valuations are used as a basis for assessment for rates by local governments, assessment of land tax by the Office of State Revenue, assessment of Crown rentals by our department, and assistance in the calculation of Commonwealth Grants Commission funding, which is the Federal grant to the States. The current valuation date is 1 January 1995, which is effective for rating as of 1 July 1995.

To date there have been 6,600 objections, which is fairly consistent with the 1994-95 figures. There is less than one per cent variation. Owners have 28 days from the date of display to lodge an objection to the amount of a valuation. Objections are considered promptly and owners are advised of the decision in writing. Owners dissatisfied with the decision on objection may lodge an appeal to the Land Court. All grievances are dealt with on a no cost to minimal cost basis to the land-holder. It is a very cost effective procedure.

Mr LIVINGSTONE: Referring to page 60 of the Portfolio Program Statements, the proposed data for 1996 valuations is being set at 1 January, 1996. From the key outputs table on page 62 of the report, it is estimated that 1.3 million valuations will need to be completed in 1996. I ask: is it cost effective for the Government to do this many valuations in one year? What is the return to the department?

Mr TOOLEY: The costs for the 1994-95 Budget were estimated to be \$22.553m. The actual costs predicted will now be \$21.569m. The figures for the Estimates for 1995-96 should be down to \$18.469m.

Of returns that come in to the department from the actual processes of the annual valuation, estimated fees for the provision of the annual valuation paid by local governments in the Office of State Revenue should equal \$7.1m in the 1994-95 financial year. The estimated annual fee for the maintenance of the annual valuation roll, which is a new fee, will be fairly slight this financial year, but in the 1995-96 financial year we estimate that to be \$0.9m. Overall, the total cost estimate of the annual evaluation for 1994-95 is \$21.569m. There could be seen to be a significant shortfall, as far as the department is concerned, in that way of looking at the equation.

However, if you look at the much larger picture from the actual valuations that are provided by the department, the general rate achieved by local government from the use of the annual valuations alone is in excess of \$800m. The Government should achieve an income from land tax of \$203m. State land rentals collected by the department should be \$21m. That is \$1,024m in total, so the effectiveness of the exercise is on a macro scale, and the leverage coming off the work that is

performed by the department is very significant. You may perceive a loss if you contain yourself only to the smaller figures, but I do not think that is really the case.

Mr LIVINGSTONE: Referring to page 41 of the PPS, much has been said about the improvement in services in the Titles Office. Is this service improvement due mainly to the reduction in land transactions over the past six months, or can it be attributed to other factors?

Mr G. N. SMITH: Essentially you want to know how it is going?

Mr LIVINGSTONE: Yes.

Mr G. N. SMITH: The Budget for 1994-95 was \$8.2m and the Estimate for 1995-96 is \$5.8m. I feel bound to say that in spite of some fairly harsh comments from different people—present company excluded—the ATS is working very well to specifications and expectations. In fact, the department won an award for this particular program.

The processing time for standard documents is down to less than five calendar days, as compared with six in April 1994. Complex documents really cause problems for the developers in terms of getting plans released and that sort of thing. Processing of those documents is down to 10 days at the present time. A number of developers have congratulated the department and spoken to me personally about that. They find the whole thing very satisfactory. In some instances, the plans are actually ready in eight days. The backlog is the lowest on record since the 1980s, I have been told. From that aspect, it has all gone very well. I would like to tell you a little bit about an award that the department won. It was a Gold Medal Award for productivity for Australian Government technology. Barry has some more information on that. I think it is a good news story.

Mr B. B. SMITH: There are a whole host of reasons why improvements have been made in the Titles Office; partly because the ATS system is now up and running, partly because we have changed some structures within the office, partly because we have changed some of the forms that the public use to register transactions, and partly because staff have, virtually for the first time, been able to undertake substantial training in terms of land titles issues. It has been a combination of all of those things. In the last two or three months, there has been a downturn in transactions, and that has also helped to assist with the backlog.

The CHAIRMAN: The first period of time allotted for the examination of the Budget Estimates for the Department of Lands has now expired. The Committee's hearings are now suspended for lunch. We will resume at 2.15 to continue the examination of the Budget Estimates for the Department of Lands.

Sitting suspended from 1.37 to 2.15 p.m.

The CHAIRMAN: The hearing of Estimates Committee F is now resumed. The examination of the Budget Estimates of the Department of Lands will recommence. I remind the Minister and his

departmental officers that the time allotted for the Department of Lands will expire at 3.35 p.m. I remind departmental witnesses that they should identify themselves, including the position that they hold, before they proceed to answer a question. The next period of questions will now commence with questions from the non-Government members.

Mr HOBBS: I refer to page 66 of the Portfolio Program Statements, paragraph 2, under "Major Program Issues" regarding regionalisation and the enhancement of services. You say, "A great deal of emphasis has been placed on regionalisation and the enhancement of services." What has been the cost in true dollar terms of regionalisation to date? What additional funding will there be in the 1995-96 year?

Mr G. N. SMITH: I think we went through that last year and I think it was not possible to put dollar figures on it, but I am going to ask the director-general to respond to that one.

Mr B. B. SMITH: Like the Minister, I do not think it is possible to put a real dollar sign on regionalisation. I think what we can do is measure the service delivery to the clients. It is quite obvious to me and to my staff that by diversifying the services that have been made available to the public at large throughout Queensland that clients are far happier than they were dealing with a centralised bureaucracy in Brisbane. The fact that we have now decided to enhance even further the decentralisation process by expanding the number of district offices to 16 during the 1995-96 year is evidence of the fact that administratively we are of the view that decentralisation has provided a better service to the public. We recognise that it is at a cost. The Government, in providing services, cannot just look at total cost efficiency, otherwise we would most probably centralise everything back into Brisbane. One has to weigh up those benefits with the benefits that service the public, and I think overall the people of Queensland do get a better service through decentralisation.

Mr G. N. SMITH: I will add to that. Everywhere I go I receive expressions of support for the role that the Lands Department has played. People like to know that they can get those services locally, that they do not have to go to Brisbane for most of them, and it is very much appreciated, particularly by the professionals.

Mr HOBBS: You talk about giving a delivery of service. Exactly what are those services?

Mr G. N. SMITH: It is the full gambit of services provided by the department. That is the point I made before. CISP, which is available, is a good example because at one time only the paper-based document was available and now that it is in computer digital form the originals do not have to be handled. The computer records can be brought up at any of the regional centres. Using that as an example, that sort of information is available locally at any of those regional service centres whereas once it would have had to be obtained from head office. I have cited only one example, but that is typical of the range of things that are available.

Mr HOBBS: I refer also to regionalisation and one of the many letters that I have received from one of your regional employees. The letter states that, in the initial stages, staff were told that they must move to regional areas or lose their jobs. Many staff moved to various parts of the State, uprooting their families and friends. Other staff who did not move still have their jobs in Brisbane in the "Disposed Persons Unit" with little or no responsibility. What is a "disposed persons unit"?

Mr B. B. SMITH: Initially, four years ago, when the four departments merged, positions were created, advertised and filled and there were approximately 115 people—in fact, 109 people—who were surplus to requirements. They were permanent public servants and it was determined that they should not have their services terminated because of a restructure within the department. The department made arrangements with the union that, as soon as jobs became available around the place, these people would be eligible for placement.

To date, we have been able to place all but 27 of those people in permanent jobs. Of those who have remained—some have resigned, some have gone to other departments—we believe that during 1995-96 there will only be 12 left, and I have to confess that some of those have remained in Brisbane. They have refused to move into the country but, of course, in doing so they have also denied themselves the opportunity for greater experience and also promotion. Most of those people who have stayed in the DPU unit have stayed at their current classification. I would say that, with the exception of one or two, most have been in the lower levels of AO2 or AO3 and, to my knowledge, they have all remained at that level. We have now been able to locate those people in Brisbane—or most of those people in and around Brisbane—when other vacancies have occurred over the last four years.

Mr G. N. SMITH: I will add that they are not called "disposed persons". It is the Departmental Project Unit, or DPU.

Mr HOBBS: I will raise one final point from this particular letter, which I think is fairly relevant. "The situation becomes worse" this employee says "when staff who were not deemed suitable to be promoted had been forced to train the promoted staff who have little or no skills in the area to which they were assigned." Is morale high in the department?

Mr G. N. SMITH: I would say so. Without question, in 1991, when the four departments were merged into the one Department of Lands, as a result of the sort of matters that we were just talking about, there certainly was an area of concern. That is probably true of other departments in which amalgamations and major changes occur. Both Mr Smith, the present director-general, and the previous director-general, Mr Bruce Wilson, have done a marvellous job in accommodating people as best they can be accommodated. There are always winners and losers and nobody can deny that, but you also need to focus on the positive side. There have certainly been opportunities for people with

skills and people who are prepared to take on new challenges. I think those people are very happy. I would think morale overall, Government-wise, is quite high, but every department, including our own, will have a small number of people who are dissatisfied with the system or feel that they have been less than fairly dealt with. I certainly would not tolerate anyone being dealt with on an unfair basis, and I know that that is a view that is shared by both the present and the previous director-general.

Mr HOBBS: I refer to the independent consultants, the Consultancy Bureau, who were engaged to undertake a review of the broader organisational structure and management arrangements at a senior level. They identified 45 senior management positions surplus to requirements. That is a very recent survey. I ask: with this weight of evidence, is it not totally clear that your regionalisation has been an expensive bungling exercise?

Mr G. N. SMITH: No, it is totally unfair to say that. The reporting arrangements have certainly been looked at and I have indicated in my opening statement that there will be some changed organisational arrangements. This review has not been done out of crisis. It has been done out of timeliness. Certainly the particular arrangements that we are talking about have been in place for about three years. It is time to review those arrangements to see how they can be finetuned. They are to be finetuned, but they have not yet been finalised. There are a number of proposals. They have not been finalised and there will be a statement to staff in the fairly near future. There will be a period of further discussion before implementation of new arrangements. Because it is going on the record, I think it is important for the director-general to add to what I have said.

Mr B. B. SMITH: I think it was essential when the four departments were merged some four years ago that the integration needed a lot of management. That integration period and time has now passed and we—at least, I—now believe that there is less need for more managers and more need for operational people. In undertaking this examination, I made a commitment that nobody at any level would lose their position as a result of this review, but I also indicated that a number of surplus management positions would ultimately become operational positions. Where possible, we would leave people in their current domestic scenes. We would not be asking them to transfer to other locations, unless they wished to take the opportunity that was offered to them.

So, while you say that there may be 42 positions that have been identified as no longer required, that is not quite right because, like any other department, we are always looking for staff—operational staff—and those people who were previously operational staff and no longer required in the managerial role will be going back on the tools, so to speak, and therefore make our service to the clients more effective than it has been.

Mr G. N. SMITH: In respect to how our staff are treated—we have our regional land protection

inspectors and assistant inspectors and people such as that who generally, up to now, do not appear in the establishment. They have been wages personnel, and that is standard for Governments and semi-Governments. Your establishment reflects your salary staff and not your wages staff. We are in the process—in fact, it is almost at the point of implementation—of those people coming on staff on salary positions. That will give quite a significant number of people much greater tenure and status within the department.

Mr HOBBS: When you introduced the ATS, you sent staff out to regional areas and they had to come back home again—back to Brisbane. They were a lot fewer than the 42 or 45. We now have 45 regional senior positions that have been set up as a part of regionalisation. Those people were put in those positions under regionalisation; now you are bringing them back again. Next year, in the Estimates Committee, are we going to have 60 or 70? That "displaced persons unit" will expand dramatically by the look of this.

Mr G. N. SMITH: I will ask Mr Leader to answer that question in more detail. At a certain stage with the ATS when we were doing a lot of overtime and training a lot of staff to undertake a wider range of responsibilities than they had been required to do under the old regime, we brought some people back from the regions to fill in and make a contribution at the central office level—particularly while people were being trained. The great majority of people in the Titles Office today are much more multiskilled than ever before. We got away from the production line type of operation, which might have suited some people but it would not have suited others. We now have a much more skilled staff. They are people who are capable of handling a much wider range of responsibilities. I will ask Loren to make a comment on that question as to who came back and for what period.

Mr LEADER: Actually, the ATS was not the reason for sending anybody to the regions for titling; that occurred prior to the ATS. In fact, the ATS allowed for those people to be active within the regions better than before because of the ability to access a title from the regional centres. During our boom last year and our highs, we required the assistance of those people to get rid of the backlogs. Some people did come to Brisbane while we were doing that overtime. We no longer have any overtime, and we no longer need in the Brisbane area the assistance of anybody from the regions. In fact, we have been able to continually reduce that backlog. The people in the regions are now able to remain in those regions, and they are quite happy to be there.

Mr HOBBS: What will it cost to undertake the review by the consultancy bureau? As a follow-on question: what is the proposed total cost to your department for consultancy fees for the year?

Mr G. N. SMITH: If you are referring to the recent consultancy—I think it was \$38,000 for that particular consultancy. The total for the year was \$129,000, which is certainly not a lot. I just make the point that we are not a heavy user of consultants. I am sorry, the total for the year to date

is \$174,000; but that is still not a lot. As I mentioned to you, it is anticipated that the current consultancy will be \$38,000. That has not been finalised yet, but that is the estimate. The payments relate to a number of different companies across a number of disciplines: human resource management and information, design and software development. The categories used are in accordance with the categories required for the annual report, and they include all sections of the department. So it is all there. I think that it appears in the annual report as well.

I have some additional information that I might as well put on the record. In the management areas, there was the Parkscape group, dealing with the ROSS report, and that was \$14,000; McCalls Pty Ltd, for the ROSS community plan, \$9,000; DPI—this is a big one—for lands protection document revision, \$450; and the Rural Extension Centre, for a land protection protocol, \$7,800.

In relation to human resources, which is the area we are really focusing on—there was an organisation known as Draft One Communications, for a review of interface corporate services and core business units, \$5,346; G. Peters, for facilitation of a senior executive workshop, \$2,200; Linda Davies, for facilitation and development of a management workshop development group, \$3,000; Phil Webb and Associates, facilitation again, \$800; NSCA, a report on office ergonomics, \$2,150; and Cedric Noble and Lowndes, for the evaluation of the position of a director of the Lands Protection Division, which was a fairly recent one as well. The list goes on. I am prepared to make the list available, but I do not think that it is worth reading them all out. I would just like to comment on that last one. The Lands Protection Division position has been upgraded. It was not previously an SES position. The purpose of that consultancy was to re-evaluate that position. It is now an SES position, which gives some support to the emphasis that I have given to that area and that program.

Mr HOBBS: What is the total cost to your department of Q-Fleet?

Mr G. N. SMITH: It is not too bad. It looks pretty light, actually. For 1994-95 it is \$2.89m, and for 1995-96 it is estimated at \$3.15m. As to the details—the department has a fleet of 288 vehicles, of which 26 are SES vehicles. A comparison of 1993-94 with 1994-95 shows an increase of 12 vehicles. As to the additional vehicles—five vehicles were transferred from Family Services. As you would realise, they came over because the department took on that part of Family Services relating to land. That was about half of them. There was an additional vehicle for the ATSLIP operations, an additional vehicle for the far-north region which was funded by the Wet Tropics Management Agency, and three additional vehicles for land protection activities. I think there were two more: an additional vehicle for the northern region for increased field activities and an additional vehicle for the Darling Downs region to support operational activities, including policing and patrol, which reimbursed officers for the use of private vehicles. The point about that increase is that over half of those

vehicles came over as a result of the department picking up some new responsibilities. The other vehicles are very much field vehicles that are used in actual operations and not for chauffeuring people around.

The CHAIRMAN: The period allocated for questions by non-Government members has expired. I ask Mr Livingstone from the Government members to continue with the questioning.

Mr LIVINGSTONE: There is still a lot of misunderstanding about the impact of native title upon the possession of land within Queensland. I refer to page 6 of the PPS and ask: would you please advise the Committee what mechanisms have been implemented to resolve land claims put forward by groups of Aboriginal people and Torres Strait Islanders? Would you also elaborate on the operational cost involved in such mechanisms and the number of human resources deployed in the running of them?

Mr G. N. SMITH: What we are talking about has nothing to do with native title; we are talking about the allocation of claimable land and that sort of thing. They are the areas that are dealt with under the Land Tribunals under both the Aboriginal Land Act 1991 and the Torres Strait Islander Land Act 1991. As you would recall, they hear claims made by groups of either Aboriginals or Torres Strait Islanders. The fact is that the tribunals often sit in remote areas of the State, or near the land that is being claimed. A tribunal can consist of one or up to three members. Both the Aboriginal and the Torres Strait Islander tribunals essentially occupy the same office space. They have different names, but they effectively operate as one unit. They certainly operate under the same budget allocation. Land claims made under those Acts are referred to the tribunals by the land claims register of the department.

The process is that claims are advertised for 60 days in the *Queensland Government Gazette*; a Statewide newspaper, which effectively means the *Courier-Mail*; the appropriate regional newspaper; and a local newspaper nearest to the land being claimed. The advertisement advises all persons interested in the claim that it has been made and invites them to become parties to the proceedings. It also invites any other Aboriginals who have an interest in the land to make a claim to it so that the claims can be considered at the same time. The tribunal is then constituted, the claim is heard, and a report of the claim, which may include a recommendation for the grant of land, is submitted to me for final determination. If land is granted inalienable freehold title or, in some instances, a lease, it is issued to trustees on behalf of the group of Aboriginal and Torres Strait Islander people involved. That is really where the interest comes about—as to who is to be nominated as the trustee. That is what the issues are generally.

To give you an indication of what has been dealt with—the ones that have been heard and finalised include: Cape Melville National Park and various nearby islands; Helensvale, which is in the Cook Shire; Birthday Mountain, which is

"unallocated" State land situated near Coen; the Lakefield National Park, including closed roads and tidal land situated in that area; and the Cliff Islands National Park, situated in Princess Charlotte Bay, again in north Queensland. Most of them are, in fact, in north Queensland. It is taking a little time for that process to gather momentum, but it is working and becoming increasingly accepted.

Mr LIVINGSTONE: How many land claims have been submitted to both the Aboriginal Land Tribunal and the Torres Strait Islander Land Tribunal since their inception? How many cases are expected to appear before the tribunals during 1995-96, and what has been the cost to date involved in hearing such cases?

Mr G. N. SMITH: Some 13 claims may be heard in the next year. Thirty-three claims over 34 areas of claimable land have been referred to the Aboriginal and Torres Strait Islander Land Claims Registry and to the Aboriginal Land Tribunal. We estimate that 13 claims will be heard by the Aboriginal Land Tribunal. Those are all Aboriginal claims. At this time, no claims have been received under the Torres Strait Islander Land Act. The amount of land involved is 10,766 hectares of vacant Crown land, or unallocated State land, and 2,282,000 hectares of national park. That makes a total of 2,292,828 hectares or, more importantly, to get it in perspective, 1.3 per cent of the total area of Queensland. The land tribunal has heard the abovementioned claims and has expended in 1994-95 approximately \$580,000 to administer and hear the claims.

Mr LIVINGSTONE: Page 7 of the PPS refers to the Queensland Native Title Tribunal. Could you tell the panel why there is a need for a Queensland Native Title Tribunal when a national Native Title Tribunal already exists? How will Queensland benefit from having its own tribunal, and how will such a tribunal differ from the existing land tribunals mentioned earlier?

Mr G. N. SMITH: The Aboriginal and Torres Strait Islander Land Tribunals deal with the allocation of land that has been deemed to be claimable. In other words, it is principally about deciding who the trustees are. The Native Title Tribunal is essentially a requirement that springs from the Commonwealth legislation which states that the Commonwealth will recognise a duly constituted tribunal in the individual States. It is very much in the interests of Queensland to have a tribunal that is recognised by the Federal Government. The charter of that tribunal is essentially identical to the Federal Native Title Tribunal.

As you would appreciate, we have had to amend the legislation slightly. It has not come into operation yet, but it will do so very soon. One of the reasons that it has not come into operation is that the negotiations had to be carried forward with the Commonwealth to determine the level of responsibility for compensation in particular. It was also necessary for the Commonwealth Government to approve in every respect the legislation and all elements of the tribunal.

There is an amendment before the House—and we will probably deal with it in the very near future—which, if all goes according to plan, should allow the Queensland Native Title Tribunal to become effective from 1 July this year. As I said, there has been an agreement between the State and Federal Governments not only in respect of the costs of compensation—should that come about—but also in relation to the percentages of running the various tribunals.

The other element of your question concerned why the tribunal was necessary. I think I have addressed that issue. Earlier, I pointed out that the issue is one of identifying trustees. Under native title, there is the question of determining whether there is a right to land. However, with the other tribunals, the right to land is already established and it is a question of determining the trustees.

Mr DOLLIN: It is reported that the Federal Minister for Aboriginal and Torres Strait Islander Affairs, Mr Robert Tickner, recently made a statement to the effect that State Governments were delaying the processing of native title claims and thereby delaying their lawful entitlement. I ask: was the Honourable Minister referring to the Queensland Government when he made that statement?

Mr G. N. SMITH: I certainly hope not. I heard about that comment. I do not know whether it appeared in the metropolitan newspapers, but it certainly appeared in some of the provincial newspapers. In responding to that comment, I pointed out that we were the first State Government in Australia to give recognition to the Federal Government legislation. Mr Tickner would have been wise to exclude Queensland from his remarks. As I said in part in my previous answer, not only were we the first State to come on side with the Federal Government but we have also amended our legislation in accordance with the amendments enacted federally. In every respect, we have cooperated fully with the Federal Government, and any suggestion that Queensland has impeded the implementation of native title would be absolutely wrong. I would like to think that it was an oversight by Mr Tickner that he made that remark and did not exclude Queensland from his general criticisms.

Mr DOLLIN: I refer to page 56 of the PPS for 1995-96 and note that the budget for the Aboriginal and Torres Strait Islander Land Interests Subprogram has increased to over \$6m. Could the Minister please explain how this money will be used, bearing in mind that there have been no successful native title claims since the High Court's decision in Mabo No. 2? Would the Minister not consider that this is simply a waste of taxpayers' money?

Mr G. N. SMITH: That is a fair question. Queensland has addressed, and continues to address, native title issues in a way that sets a benchmark for the other States. Approximately \$3m of the \$6m that you referred to a moment ago has been allocated to the management of the Native Title Tribunal. As I have said, we have introduced it and it is about to become operative. It validates past Acts of the State which would otherwise have been invalid due to the operation of the

Commonwealth Racial Discrimination Act of 1975. The validation of previous tenures granted by the State was crucial to ensure that land-holders could be confident that their tenure was secure from successful native title claims. It ensures that the Commonwealth will pay 75 per cent of the compensation for the validation of past Acts—obviously, we pay 25 per cent to pick up the difference—which have been unlawfully extinguished or impaired.

I have mentioned that the Act requires the establishment of a tribunal. Importantly, it ensures that land transactions and development may proceed in the confidence that native title issues have been properly addressed. That all costs money. In addition, with the introduction by the Government of the Aboriginal and Torres Strait Islander land legislation in 1991, an opportunity was made available for Aboriginal and Torres Strait Islander people to claim land over which they asserted traditional, historic or economic claim. Therefore, the legislation allows the transfer of Aboriginal or Torres Strait Islander reserve lands and deed of grant in trust lands. These functions utilise the remaining \$3m allocated to the subprogram. It does deserve an explanation.

Mr DOLLIN: I refer the Minister to page 51 of the PPS and note that the procedures and work instructions for carrying out the department's work under the Native Title Tribunal have been completed and issued to staff. Could you please inform the Committee what level of departmental business is being delayed because of the need, firstly, to identify the existence or otherwise of native title and, secondly, to process native title claims?

Mr G. N. SMITH: It is just one more thing that has to be done. When Lands Department staff are considering the allocation of land or dealing with land, there are a whole range of things that they have to check and attend to. The possibility of native title is just one more step in the whole process. It comes down to investigating whether the State might have acted illegally with previous dealings. It has to investigate to see whether any grant has been made beforehand which therefore would cause some current transaction to be invalid. The State has to take care to ensure that it is not then involved in subsequent litigation which would, essentially, require compensation.

Not all applications are affected. Where it is immediately obvious that native title has been extinguished—for example, where there is an existing tenure that would extinguish native title—a further examination is not required. To put that in simple language—where something has been freely transferred or dealt with in previous times and it is clear and abundantly clear that that has occurred, there is no need to waste time investigating that possibility. But where areas of unallocated State land are or appear to be involved, then the investigation has to take place.

A good example was the land claim over the Century mine area. It transpired that, while there was not an existing lease over the area, there had been a lease in earlier times—I think around the turn of the century—and then later on in the early

part of the century that clearly extinguished native title. The same sort of thing applied with the Simpson Desert. That superficially appeared to be vacant Crown land but in fact native title had been extinguished by a grazing tenure grant many years ago. If you were lucky enough to find that—when I say "lucky enough", I mean if that is the legal situation—there is no need to expend departmental resources to take it any further.

Mr DOLLIN: I refer to the last two paragraphs on page 51 of the PPS, which refer to the transfer of certain functions previously carried out by the Lands Branch of the Department of Family Services and Aboriginal and Islander Affairs to the Aboriginal and Torres Strait Islander Land Interest Subprogram of the Department of Lands. I ask: what has the Department of Lands achieved since that transfer of functions from the Department of Family Services and Aboriginal and Islander Affairs?

Mr G. N. SMITH: As you know, that particular function has come over within the current financial year. The total budget that would have been transferred had it been for a full year would be \$2.1m. For this year—and we will obviously have it for the full year—the total funds are \$6m. As to the break-up—the program directorate accounts for \$2m; the claims and registry unit, \$400,000; the native title unit, \$820,000; the coordination unit, \$100,000; the liaison unit, \$2.1m; and all regions is \$890,000, which effectively makes up a total of \$6m. I make the point that ATSILIP shares with other departments responsibilities for business activities resulting from those two Acts we mentioned before—the Aboriginal Land Act and the Torres Strait Islander Land Act.

Mr SZCZERBANIK: I refer to page 39 of the PPS, which refers to land titles. During this time last year when the inaugural Estimates proceedings were being conducted, the Automated Titles System had not been operational for very long and had been in Brisbane for only a short time. At that time, the new ATS was generating a fair amount of publicity as it was experiencing a great deal of teething problems and was also having to cope with a record number of lodgments. Now that the ATS has been in place for a bit over a year, would you please advise the Committee of the current service times for the completion of building unit plans and group title plans?

Mr G. N. SMITH: We did touch on this to some extent before, so I will just provide the additional information. I will give you the service times for dealing with group title plans and building unit applications for the period ending 29 April 1994, and I will use the same period for 1995. There were slightly increased numbers this year—410 compared with 314 in one category and 377 compared with 317 in another. The important point is that the service times last year were 21 days for both categories and this year are six days for one category and five days for the other. That deals with the great majority of matters that come in. Some have problems which they attract—requisitions, etc.—but that demonstrates—

The CHAIRMAN: Thank you, Minister. You may wish to come back to that in the next period, but the time allocated for questions by Government members has now expired. I ask Mr Hobbs to continue with the questions.

Mr HOBBS: I refer you to page 46 and dot point 1, leasing and sale of State land. I refer to the sale of Riversleigh Station north of Mount Isa to the CZL mining company. You will recall that a portion of Riversleigh was purchased by National Parks for its fossil deposits. CZL, after purchase, leased the property to Sebastiao Maia, the previous owner of the 5,000 square mile Lawn Hill property, who also sold out to CZL for a reported \$10m. On what basis did you approve the sublease of the massive Riversleigh property to Sebastiao Maia—whose lack of management procedures are legendary—for \$2 a year?

Mr G. N. SMITH: I do not think I have that information. Bob, do you have anything on that? I do not accept some of your assertions, by the way, but I will leave that to one side.

Mr LACK: I am not sure whether it is a sublease by the department or some form of grazing rights granted by DEH. It could well be a permit or some form of grazing lease issued by DEH.

Mr HOBBS: The part that National Parks has is separate from the main property. The main property has been sold recently to CZL.

Mr G. N. SMITH: I will give you the information that I have here. The whole of the Holt Pastoral Holding and part of Riversleigh Pastoral Development Holding was resumed by proclamation appearing in the *Government Gazette* on 1 February 1992. A claim for compensation was invited on 3 February 1992, but no such claim was lodged by the dispossessed lessees. A without prejudice offer was made by the department on 27 May 1992. The lessees rejected the offer and subsequently referred the matter to the Land Court. I think that is significant. Following receipt of advice from the mortgagee regarding disbursement of moneys, payment of an advance against compensation was made on 23 December 1992. The lessees were also advised that the Crown was willing to convene a further without prejudice conference in an effort to resolve the matter out of court.

The matter of quantum of compensation was resolved by negotiation, but three heads of claim were in dispute—to wit, fire breaks, destocking and fencing—and these three heads were argued in the Land Court on 6 and 7 April 1993. On 7 May 1993, the Land Court determined the total compensation payable for resumption. The lessees subsequently appealed against the decision, and the appeal was to be heard by the Land Appeal Court. However, following application by the lessees' solicitors, the appeal was withdrawn. I can only conclude from that that, contrary to what you have said, the particular people involved were ultimately satisfied that they had been dealt with fairly.

Mr HOBBS: I do not doubt that they moved on, but the fact is that Sebastiao Maia, whose

property management procedures are less than satisfactory, is now the lessee of that land. It is State land that comes under your control.

Mr G. N. SMITH: I do not think any of us know. As I said, I do not necessarily accept your assertions; in fact, quite to the contrary. If someone was judged to be an inappropriate lessee, we would not grant the lease in the first place. So I am sure there will be two sides to the argument. I will tell you what I will do: rather than grope in the dark on that, I will try to get that further information and have it incorporated this afternoon.

Mr HOBBS: I refer to the table on page 43, which relates to land titles. I note that there is a \$5.593m reduction in estimated expenditure for the 1995-96 year over the previous year in the land titles section. Keeping in mind that extra funding was allocated in the mid-year budget review last year, are you confident that you will not require additional funds in the forthcoming year?

Mr G. N. SMITH: Mr Leader answered that in part before. We certainly had an injection of considerable additional funds to get over that period of implementation. Anyone who has had anything to do with the introduction of a major, new computer system knows that the start-up costs are always high. In this instance, they were certainly higher than we anticipated they would be. The fact is that the system has now settled in very well. I recall Mr Leader saying—and I knew in advance, anyway—that no overtime has been worked since February. A great amount of that money that you are talking about—the additional funds—would have been for additional people and overtime. That is now not required. To answer your question in short: yes, I am confident that the figure will stand up.

Mr HOBBS: What has been the total cost overall to set up the ATS in Queensland?

Mr G. N. SMITH: We will try to come back with the figure for that later.

Mr HOBBS: What is the present backlog of dealings?

Mr G. N. SMITH: It is actually 14,000. Again, I think I touched on that before. It is the lowest on record. It has not been that low effectively since some time in the eighties. In fact, that number excludes all Form 19s. We are processing 12,000 a week. That means that we are processing more than the number coming in. Every week the backlog is being reduced. That figure excludes all Form 19s and Form 23s. They really require no work; they are sitting there as a number, but they pass through.

Mr HOBBS: The cost of registering a lease is \$87 if it is lodged at the Titles Office. If sent by post, that fee rises to \$107. That is really tough for those people who do not have access to those particular buildings. Is there something you can do in this coming budget to assist those people who have no choice other than to send those documents by mail?

Mr LEADER: The regulatory fee has a mailing cost based on the fact that we have to mail documentation back and forth for those individuals,

especially when there are requisitions. To support what we have done with our regionalisation, we are moving out into the country, so that mailing is not the only way to get access to the titles process. By having expanded receiving centres, people will have better access to us. We are always looking for ways to minimise the costs, but at the same time we do not want to create a loss to the Government by having to return mail. We are talking about expensive documents that cannot be lost. We have to use certified mail and other processes when we return those documents. So we usually recommend that people go to one of our regional centres for lodgments rather than directly to Brisbane.

Mr G. N. SMITH: There is another practical element to that, too. If we did not have that fee, we would find that, rather than people presenting them in Brisbane, as most of them do with bulk lodgments, they might mail them all in, which would certainly cause additional cost to the Government.

Mr HOBBS: These expanded receiving areas—how far will they go? Will they eventually go to every Lands office throughout Queensland?

Mr G. N. SMITH: They will go to the 16 offices. We will have 16 offices. I think we have 13 at the moment that can handle most of the transactions required, but ultimately there will be 16. I am not saying that there are 16 right now, but the intention is that 16 offices will be effective during the year.

Mr HOBBS: I refer to page 47, the third dot point, which states—

"Resourcing of incorporated associations to develop their claims and subsequent preparation of their claim book for presentation to the Aboriginal and Torres Strait Islander Land Tribunals."

What funding has been allocated this year for that purpose?

Mr G. N. SMITH: We have that information?

Mr AHERN: Basically, we have \$2m allocated to activities under the Aboriginal Land Act. A proportion of that goes to staff in what we call the Liaison Unit. The balance of that amount is used to fund any claims that might be presented before the Aboriginal Land Tribunal. So far, there are no claims proposed for the remainder of this year, and there are only two claims which have already been funded for the remainder of the financial year 1996.

Mr HOBBS: So basically, this funding—this \$2m—you actually assist to fund these claims to go into the Land Tribunals?

Mr AHERN: Yes, they are claims under the Aboriginal Land Act.

Mr HOBBS: How many claims were represented last year, and how many do you estimate in 1995-96?

Mr G. N. SMITH: We gave that information before in a previous answer.

Mr HOBBS: This is a different one.

Mr G. N. SMITH: No.

The CHAIRMAN: Is that the information you gave in response to a question from a Government member?

Mr G. N. SMITH: I thought it was.

The CHAIRMAN: I thought you said that there were 33 claims to be heard in the next year and that 13 had been heard.

Mr G. N. SMITH: I thought so, too.

Mr HOBBS: On page 47, the sixth dot point refers to the distribution of royalties derived from mining Aboriginal and Torres Strait Islander land. What funds were distributed in 1994-95, and what is estimated to be distributed in 1995-96?

Mr G. N. SMITH: Nil.

Mr HOBBS: For both years?

Mr G. N. SMITH: Yes.

Mr HOBBS: I refer to the Liaison Unit that has been set up to consult with Aboriginal and Torres Strait Islander women—page 48, paragraph five. What funding has been allocated for that unit, and how many staff will be assigned to the program?

Mr G. N. SMITH: I mentioned to you before that that really operates out of the same office—the same building; it is effectively the same thing. I also mentioned that all claims had so far been under the Aboriginal land interest provisions rather than those of the Torres Strait. The figure is 11 all up, including three in Cairns and two in Townsville.

Mr HOBBS: I refer to the Rural Lands Protection Board and funding in relation to noxious weeds. It concerns me that we have numerous noxious weeds throughout Queensland that are not being declared because there are not sufficient funds for the board to assist in their control. I particularly refer to the African love grass prevalent in the Stanthorpe-Toowoomba region. That weed has spread throughout 51 shires in New South Wales and was declared noxious in 18 of them. We have this weed in Queensland and it is spreading quite dramatically, yet approaches to the board have failed to have it declared noxious. Perhaps they cannot afford to have any more noxious weeds declared. Can you assure the Committee that these noxious weeds will not be allowed to get out of control?

Mr G. N. SMITH: We have a rating to determine the priority weeds should have. It would not matter how much money you had; you would never have enough money to deal with all the weed threats. As you have acknowledged from time to time, the primary responsibility lies with the landholder and the local government. As we discussed before, a significant proportion of funding comes in the first instance from local government.

Weeds are prioritised and, I think, will always be prioritised. If Mr Rowell was here, as he was last year, he would be putting the same question to me regarding sicklepod, which is a problem in the tropical areas. The Rural Lands Protection Board has to make strategic assessments of the threat of particular weeds on a Statewide basis. It is quite likely that, from time to time, a particular weed is a

problem for a particular community. I am not conscious of African love grass being a major threat, although I accept it may well be.

Dr HYNES: In the present general classification in Queensland for weeds, we have three critical weeds at the top of the list, 20 major weeds, and then up to 150 which, in various parts of the States, have different status. The Minister is correct that for any weed that goes through the declaration process, a pest assessment status report is prepared to strategically evaluate that Statewide. Then the declaration process is looked at very carefully because a lot of ramifications flow from it. In certain instances it is unrealistic to declare a particular weed to be in a certain category, because the constraints on the land-holder and the local government will be beyond their economic capability. Therefore, together we have to work through this strategically.

African love grass is not a high priority weed in the present Statewide context. That does not mean it does not deserve proper attention. If that weed is submitted to the Rural Lands Protection Board for consideration, it will go through a whole process. It will be assessed properly, given a proper rating and they will make a decision on how to categorise it in terms of declaration.

Mr HOBBS: I refer you to page 48, and applications for freeholding of leasehold land. How many applications were made for freeholding of parcel lands in 1994-95, and what was the total value of those freehold claimants?

Mr G. N. SMITH: I have some information on the freeholding of miners' homesteads.

Mr HOBBS: I am interested in that as well.

Mr G. N. SMITH: Out of approximately 24,800 leases current at the time of the preparation of the Walsh report, only 260 lessees did not apply for freehold by 1 January. Mr Stephan must have stoked a few of his people up! Lessees who did not apply for freehold have not lost tenure of the land, but conversion to freehold, if desired and approved at a latter date, will be at a substantially increased price.

The CHAIRMAN: I ask Mr Szczerbanik to continue.

Mr SZCZERBANIK: Again I refer you to page 39 of the PPS and the automated titling system, the heat generated and the publicity that your department received last year. I know that service times are down to about six days in some cases and five days in others. Would you outline to the Committee the next stage of improvements to the titling system in Queensland and what the costs to the State are likely to be?

Mr G. N. SMITH: Stage 3 would be to allow instruments to enter the electronic system of any departmental location. With scanning equipment—which we do not yet have—a clerk to take fees, and a check of signatures, an inquiry could be dealt with across the range. Examiners will be able to call up groups of instruments in order of receipt right across the State. Images could then be viewed at any location with experienced examiners to alleviate any

local demand fluctuations. Therefore, if you had a rush of business in Bundaberg, by virtue of this imaging the workload could be addressed at a remote location, greatly smoothing out the work flow. This also solves the physical movement of paper around the State, which has some risk associated with it. The pilot project will commence in July this year and will run for approximately three months. That project will identify and implement a better understanding of the technical procedure and financial parameters. The anticipated cost for the pilot project is \$150,000 allocated from the current budget, and no further funds are currently sought.

Stage 4 would be optical character recognition, or OCR, which will be considered at some time in the future. If this were adopted, an image scanner would recognise information and forms and automatically enter it onto the ATS, eliminating the need for manual interpretation. By that time we would have virtually completed automation, as all remaining processing would require would be a judgment to be made by an experienced examiner. In other words, that is about as far as you can take the automated process.

Mr SZCZERBANIK: Because of the concern that was shown last year in the media and by the Opposition, I would like to place on the public record the following statement: the fact that your department has not been in the media for several months now is testimony to the smooth running of operations.

Mr G. N. SMITH: Certainly. In fact, at the height of the adverse publicity we had actually reached and gone past the crisis point and we were rapidly bringing down the service delivery time. That was not apparent to the public at large, and the adverse publicity followed on for a considerable period after the service had improved quite dramatically.

The actual lodgments peaked in December 1994 when, over a two-week period, daily lodgments went to over 3,000 a day. For the six months prior to that, lodgments were running between 2,400 to 2,900 a day, a very high figure. In January 1995, the lodgments ranged from 2,200 to approximately 2,500 a day, and that is obviously a decrease. But it now only takes a few days to register most documents rather than a few weeks, which we suffered 10 months ago, and I think that is indicative of the much more efficient system brought about by the ATS rather than the reduction in the number of documents. I think I have dealt with some of the other matters. Essentially, there has not been a hiccup in recent times. There is no overtime being worked. The next step revolves around those two new processors, one of which is foreshadowed for trial this year and the other at some time in the future, depending on the availability of funds and the need to do it.

Mr SZCZERBANIK: Again, I would like to continue on this line because I think it is one of the good things that has come out of your department in the titling area. There was an earlier hiccup with massive lodgments and a new system coming on, but during last year it was stated that the Titles Office had a backlog of unregistered documents in

excess of 60,000. Would you please advise the Committee what is the backlog as at today?

Mr G. N. SMITH: It is actually 14,000, I think. The more detailed information that you are seeking is this: effectively, the reduced service times apply to in excess of 80 per cent of the dealings. The time for standard documents, which are the typical transfer or sale of a house, is down to about five days. More importantly, the complex documents are down to around about 10 days—and 12 months ago they were up to about 20 days—and plans, which I think I touched on previously, are down to eight days. The plans are particularly important to the developers. They are the things that actually hold up projects. Not only do we have ATS there but we also have the accredited service providers in terms of the surveying industry, so we have avoided double examination. We are rapidly moving to the position where, because of the procedures we have put in place, the last agency to deal with them will be the council and the council will release them at the completion of its work. Where there were fairly considerable delays, there will be no delays. The actual titles will be capable of being released immediately from the Lands Department. That has been very much welcomed by the land development industry.

Mr SZCZERBANIK: I think it is one of the good news items that is coming out of your department which is coming from a pen and quill situation into the twenty-first century, and you should be congratulated on it.

Mr G. N. SMITH: I thank you for that.

Mr LIVINGSTONE: At about this time last year, the Department of Lands was going through the stages of replacing the old MIPS

computers. You explained to the Committee at that time that the need to change data bases was brought about by the fact that the supplier no longer provided maintenance support for the equipment. A great advantage of one of the new computers was to handle the computer inventory plans so that it would perform much more efficiently and result in great time savings. Now that the new system has been in place for around a year, how has it performed? Is it living up to all the expectations and is it cost effective as well?

Mr G. N. SMITH: The CISP, which you referred to, answers a very broad range of inquiries relating to survey plans. It has lived up to that expectation in every respect. I am not aware of any adverse elements of that particular initiative at all. In fact, the data capture is right up to date and the system is fully operational within the Lands regional offices. The important aspect to CISP is that public access is now available through CITEC. An internal product ordering system operates allowing remote clients to order Department of Lands products through that public access system. It has been quite a significant investment.

The speed of the service delivery has been a very significant element of it as well. I am looking at the expenditure of an amount of about \$0.655m for the major hardware upgrade, which was well and truly worth it, and there is an estimate for this year

that includes \$0.09m for a facilities management contract to be funded from the revenue retention activities. I think that just about brings to a close in a very satisfactory way that matter that was raised in the previous year.

Mr LIVINGSTONE: I refer again to the replacement of the MIPS computers. I would like to move to the purpose of the other replacement computer. You have spoken about the computer inventory of survey plans, but it was indicated during the sittings last year that the other new computer would primarily handle the Tenure Administration System, which is referred to on page 49 of the PPS. At the time you stated it was important to get TAS up and running quickly as the rent regime for leasehold properties was entirely computer based through Queensland and hence depended on a computerisation system to produce the annual rental notices. I expect that the capacity of TAS is much broader than merely producing rental notices. Would you please explain to the Committee what the full extent of the TAS capacities are and how the capacities translate into benefits for Queensland?

Mr G. N. SMITH: By way of introduction, I will ask Mr Lack to come in with some further details. I think the important aspects of the linkages between the Tenure Administration System and the Automated Titles System is that that is presently being addressed and we expect that to be completed before 30 June. I have some costs associated with that. It is estimated to be \$330,000, which includes the direct project budget of \$160,000 and general staff salary costs for the remainder. Total cost for the complete TAS since the project's inception in 1989 is \$4.8m. That amount includes expenditure on computer equipment, computer programs and program development, contract, wages and salary costs plus indirect costs such as office accommodation and rental. We have already dealt with the MIPS upgrade, but Bob Lack might like to make some further mention of the details on the sub-systems. While Mr Lack is looking that up, in answer to the question from Mr Hobbs regarding Riversleigh, this is the information I have. Only part of Riversleigh was resumed for national parks. The situation with the balance is that CZL, Century Mine, purchased Riversleigh from Seymour, the former lessee. The district manager at Cloncurry is not aware of any sublease being registered. If CZL has subleased to Sebastiao Maia, it is assumed that it is on an unregistered arrangement. That is why we did not know anything about it.

Mr LACK: The seven sub-systems of TAS are the Tenure Creation System, the Tenure Application System, the Lease Rental System, the Code Sub-system, the Condition Sub-system and also the register integration with the title reference.

Mr LIVINGSTONE: It is always encouraging to see and read about the ever-increasing expansion of Queensland, which has flourished in particular over the past couple of years. With the

tide of those expansions forever rising, one could be forgiven for thinking that it must be increasingly difficult not only to maintain the current record of what land parcels exist but also to be able to readily access information in regard to such parcels. The Digital Cadastral Data Base referred to on page 21 of the PPS documents is used to record such information. How is such information collected and maintained? Who benefits from it, and what is the cost of that facility?

Mr G. N. SMITH: I will deal with the latter. The estimated cost for 1994-95 was \$650,000. The Estimate for this financial year is \$1.22m. It is also worth noting that \$1.05m is from revenue-retention activities. That is essentially the funding. The DCDB is a computerised record of Queensland's 1.5 million land parcels which form the foundation of the Queensland land information system. The maintenance of the database is being undertaken by staff in all regional centres, and there are more than 200 organisations and individuals who are licensed as users of the DCDB data. By far the largest users of that data are local governments—94 of them—and the DCDB is providing an essential tool in assisting them to manage their assets.

The system has grown to the stage at which the database structure, the computers and the software required to maintain the system cannot keep up with the demand and needs to be replaced. The DCDB Development Project will provide a larger computer and more open software to manage the database to enable it to respond to growth in client demands. It is anticipated that the first phase of the DCDB Development Project will be completed by the end of 1995, allowing increased levels of inquiries to be supported by that database. The DCDB is captured and validated to form the graphical layer of property boundaries and parcel information. It is also kept up to date with changes to property boundaries. Enhancements and positional upgrades are being developed to address particular user demands.

It is expected that the capture of group title plans, which we have mentioned before, will be completed by the end of June this year. A project to cross-validate the DCDB with specified fields in the CISP, the Computer Inventory of Survey Plans, which we discussed a few moments ago, is very much in train. A process has been developed to capture additional data elements, such as easements in response to user requirements. Yes, it is a very valuable tool. It has got away entirely from the paper-based systems and allows those important boundaries to be brought up very readily with little or no expense all around the State. That is of tremendous assistance to all the people who need to know those boundaries.

The CHAIRMAN: There being no further questioning, that concludes the examination of the Estimates for the Department of Lands. I thank the Minister and his officers for their attendance.

Sitting suspended from 3.33 to 3.40 p.m.

ADMINISTRATIVE SERVICES DEPARTMENT**In Attendance**

- Hon. G. Milliner, Minister for Administrative Services
- Mr Bruce Wilson, Director-General
- Mr Mal Grierson, Deputy Director-General, Government Services
- Mr Ross Pitt, Deputy Director-General, Commercialised Services
- Mr Tony Woodward, Director, Finance and Information Technology
- Mr Warren Pashen, Management Accountant

The CHAIRMAN: The next item for consideration is the Administrative Services Department, and the time allocated is two hours and 20 minutes. For the information of new witnesses, I point out that the time limit for questions is one minute, and for answers it is three minutes. A single chime will give a 15-second warning, and a double chime will sound at the expiration of the time limits. As set out in the sessional orders, the first 20 minutes of questions will be from non-Government members, the next 20 minutes from Government members, and so on in rotation. The end of those time periods will be indicated by three chimes. The sessional orders also require equal time to be afforded to Government and non-Government members; therefore, when a time period has been allotted which is less than 40 minutes, that time will be shared equally.

All responses to questions taken on notice are to be supplied to the Committee within 12 hours of the question being placed on notice or, at the latest, by 11 a.m. tomorrow, 8 June. I now declare the proposed expenditure for the Department of Administrative Services to be open for examination. The question before the Committee is: that the proposed expenditure be agreed to. Minister, is it your wish to make a short introductory statement, or do you wish to proceed directly to questioning? If you do wish to make a statement, the Committee asks that you limit it to two minutes.

Mr MILLINER: Yes, I do wish to make a statement. In the 12 months since the last Estimates Committee hearing, my department has made substantial progress towards implementing the recommendations of the PSMC review. While further refinements to the organisation continue, the restructuring of the department into a Government services group and a commercialised services group has been effected successfully. This major program has resulted in a better than expected saving to Government and a higher level of service to client departments than ever before. In fact, the dividends and savings to the Government for 1994-95 will be in the order of \$127m, which includes an \$80m saving by putting in place standing-offer purchasing arrangements. Anticipated savings for the 1994-95 financial year are expected to be in the order of \$135m, which will be a significant improvement over the current financial year.

The business units in my department are well down the commercialisation path, with the introduction in 1995-96 of tax equivalent payments and trial competitive neutrality adjustments. CITEC, Sales and Distribution Services and Goprint will have passed each of the eight stages of commercialisation. The three building business units, namely, QPM, project services and Q-Build, will begin market testing and the untying of clients in 1995-96, thus commencing the final stages of commercialisation for those business units. Q-Fleet will have passed all the commercialisation stages, except that its budget sector clients will remain tied. That arrangement will continue to maximise the financial benefits gained by the Government from aggregated fleet purchasing and management. Q-Clean services, a recent addition to the ASD stable, is only in its initial stages of commercialisation.

In an effort to continue to improve work practices and client service, my department has participated in a number of initiatives, which have been driven by staff. A current initiative is the implementation of quality assurance and benchmarking throughout the department. Another has been the introduction of separate enterprise bargaining agreements for each of the business units. Both of these initiatives will bring about further savings to Government through productivity improvements. I believe that the achievements of the Administrative Services Department during this period have made a substantial contribution to the economic growth of Queensland.

The CHAIRMAN: Thank you. We will now have the first period of questions commencing with the non-Government members. I ask Mr Lingard to commence.

Mr LINGARD: Minister, I refer to your introductory comments and to critical assumptions which, obviously, should be taken into account during the preparation of the Administrative Services budget. I refer particularly to enterprise bargaining within the Administrative Services Department, and I ask: how are enterprise bargaining targets formulated within the business units of the department? How are they related to industry benchmarks?

Mr MILLINER: Obviously, in this new era of industrial relations, enterprise bargaining is the way in which we are moving. It is important that the business units within ASD—being a truly business enterprise—engage in enterprise bargaining. Obviously, there are benchmarks to be achieved with enterprise bargaining. They have been achieved in the business units—Q-Build, Q-Fleet and Q-Clean services—and the milestones required for Stage 2 payments for those units were made on 1 February, 1 April and 1 May 1995 respectively. Of course, they are the targets to be achieved.

Enterprise bargaining has been successful in that the unit set up to negotiate the enterprise agreements has successfully done that. The targets we set are on a collaborative basis, working with staff and looking at industry comparisons. To give you an example—in the printing industry, you are looking at something like the spoilage of product.

We are looking at reaching the industry standard on things like spoilage.

Mr LINGARD: You referred to Q-Fleet in that answer. I also refer to growth predictions. How are business growth predictions determined within the Administrative Services Department? Are these in line with industry expectations? For example, what is the Q-Fleet business growth factor, and what is the industry benchmark?

Mr MILLINER: With an organisation such as Q-Fleet, which at the moment is a tied organisation, it is very difficult to compare that with the private sector. When you look at the Q-Fleet profile and the number of vehicles that Q-Fleet has under its control, it is very difficult to draw a comparison with the private sector. We are looking at setting benchmarks. We are also looking at the performance of the organisation. At this stage, we are satisfied that the budgets that have been set for the performance of that organisation have been met. For example, if you look at the performance of Q-Fleet, you will see that sales are some \$58.4m. They are the forecast actuals for 1994-95, as opposed to a budget of \$57.8m. So in actual fact the performance is better than the budget. If you look at the profitability of that organisation—we are looking at a profitability of \$23m forecast actuals for 1994-95, but the budgeted profit was \$25.4m. So you can see that they are basically in line with what the budget forecasts were. There is also a growth factor of 700 vehicles in that period.

Mr LINGARD: But surely, it would not be hard to work out what Q-Fleet's expansion rate is compared with private business. Surely, in setting a budget, you would need to ascertain what is Q-Fleet's expansion rate and what is the private business expansion rate; surely, it would not be hard with Q-Fleet?

Mr MILLINER: It would; because with the public sector you are looking at only public sector demand. We are not involved in the private sector; so it is very difficult to draw a comparison when you are not comparing apples with apples. If you are looking at trying to draw a comparison, you simply cannot, because you are looking only at public sector demand.

Mr LINGARD: Private business is now running at about 6 per cent and Q-Fleet is running at about 11 per cent or 13 per cent? Surely that is known to the department?

Mr MILLINER: Sure. At this stage, it is probably appropriate to invite the General Manager of Q-Fleet, Mr Clarence, to come forward to clarify the expansion of the fleet. Being a public sector organisation only, I still think it is difficult to compare it with the private sector.

Mr LINGARD: I will go into that later when I ask some more questions about Q-Fleet. I wish to continue with your statement about growth predictions. I refer to page 32 of the Portfolio Program Statements and to the heading "Program Performance Assessment". With respect to Project Services, I refer to the maintenance of permanent staff levels in line with base demand levels. Are you able to provide details of the methodology utilised in

calculating the maintenance of permanent staff in line with base demand levels?

Mr MILLINER: We are doing that by keeping our growth down. As you would appreciate, when the PSMC reviewed the department it found that in Project Services we were doing more work in-house than was desirable. We were doing about 80 per cent of our work in-house. That has now been outsourced. The PSMC recommended that that be no more than 50 per cent. At this stage, it is less than 50 per cent. We are doing only 41 per cent of our work in-house. That is the way in which that has been achieved.

Mr LINGARD: Surely the department has a methodology in setting its permanent staff, its consultancy and basic staff numbers? I am asking what that methodology is.

Mr MILLINER: The way we are doing it is by basing our methodology on having 50 per cent of the work done in-house. That is the methodology we have used in determining staff levels.

Mr LINGARD: I refer to page 6 of the Portfolio Program Statements and to the non-labour operating costs within the 1994-95 budget of \$381.818m. The estimated actual for 1994-95 is \$382.645m. That is a \$827,000 unexplained increase over the budgeted figure for the period. Are you able to explain this \$827,000 overrun in respect of the non-labour operating costs for 1994-95?

Mr MILLINER: It is not an overrun. That figure came about as a result of the program growing. It is not in any way an overrun. It is related to the clients' programs. It is not strictly an overrun.

Mr LINGARD: Clearly, you have spent more?

Mr MILLINER: Yes, because the program has expanded at the request of the clients.

Mr LINGARD: The estimate for non-labour operating costs for 1995-96 has increased by \$58.4m to a total of \$441.114m. Such an increase has been attributed in part to additional external consultants' fees related to the higher capital works program. Are you able to provide exact details of the costs of these external consultants' fees which have contributed to this \$58.4m increase?

Mr MILLINER: These are all related to external clients' capital work requirements. Until we build the schools or the hospitals, we cannot give you an accurate estimate of what those are. I can give you a breakdown for the previous year, but that will not help you in relation to the estimates for 1995-96.

Mr LINGARD: That is okay. I refer again to the increase between the 1994-95 estimated actual and 1995-96 estimate for non-labour operating costs. It is reported within the PPS that property costs for new leases and rental increases on leased office accommodation have contributed to such increases. Are you able to provide complete details of what the exact costs of new leases will be in the 1995-96 period? What will be the increased cost to the department of leased accommodation, and

what steps have been taken to ensure the cost-effectiveness of maintaining these leases?

Mr MILLINER: We do not have any details on that. We would have to give you a long list of the buildings.

Mr LINGARD: Can I have a list in relation to the capital building program for 1995-96?

Mr GRIERSON: Only in relation to the ASD.

Mr MILLINER: That is right. As you would appreciate, we service clients and we rely on client advice to us. We can give you that breakdown for ASD but we cannot give it to you for client departments.

Mr LINGARD: Can I have a list of the client departments with which you will be involved in 1995-96?

Mr WILSON: In support of what the Minister said, a lot of the figures that we are talking about are for work that we do on behalf of client agencies. All that we know at this stage is the quantum of their budget allocation for capital works. That has not been converted into projects yet, so it is impossible for us to say where all of that work and some of those consultancies will go. Those figures are estimates for the work that will flow from their capital works programs. Likewise, in respect of the list of projects that you talked about—yes, we know what we will be doing under our capital works program but we cannot give you a single list for everybody as yet. Our clients are all the departments of Government. However, the big ones are Health, Education, TAFE and Justice. Those would be our four largest clients and they constitute the overwhelming bulk of the program.

Mr LINGARD: But you will give me the list of those with which ASD is involved?

Mr MILLINER: I will.

Mr LINGARD: I now turn to Q-Fleet. The PSMC recommended that by 31 August 1995 a Cabinet submission be prepared to consider whether to untie Q-Fleet vehicle leasing services. Is a review currently under way or has one been completed? Has the decision been taken about whether Q-Fleet will remain tied?

Mr MILLINER: At the request of Treasury, the review has not been undertaken at this stage. We are still looking at what we are going to do with the police vehicles. At this stage, the police vehicles are not under the control of Q-Fleet. We are looking at whether that should be done. At the moment, we have consultants engaged to look at that.

Mr LINGARD: I refer to page 66 of the Portfolio Program Statements and to the key outputs of Q-Fleet. I observe that the number of vehicles under lease is to be increased from 9,555 to 10,326. This represents an overall increase to the fleet of 771 vehicles. Are you able to supply details of who the end users of these additional vehicles will be and at what cost?

Mr MILLINER: The total number of replaced vehicles will be 5,400, at a cost of \$145m. As you can appreciate, recently the Health Department has provided vehicles to specialists. Some 742 vehicles

are involved. In addition, some other client departments are now coming on board with Q-Fleet. The QTTC has now decided to come on board with Q-Fleet. That is basically where the vast majority of the growth is.

Mr LINGARD: I switch to the Health Department. I refer to page 35 of the Portfolio Program Statements and to the major activities of Project Services. Expenditure for professional consultancy services received a budget allocation in 1994-95 of \$49.89m, whilst it is to receive an allocation of \$68.066m for 1995-96, an increase of \$18.577m. I observed that \$17.9m of this increase is attributed to the payment of consultants' fees for the Queensland Health program. I ask: will the Minister supply the details of the Health projects involving consultants and Q-Build services and the specific details of fees for services charged?

Mr MILLINER: That is a fairly extensive list and I do not have that information with me, but we will supply it to you.

Mr LINGARD: I refer to page 29 of the Program Statements and to the non-labour operating costs for Corporate and Executive Support. There has been a \$9.5m rise from the 1994-95 allocation to \$15.1m for 1995-96. I observe that \$8.6m of this budget increase has been attributed to recoverable funding for information technology projects, being the implementation of the new Queensland Government Financial Management System, a management information system and document management system. Are you able to provide details of the arrangements for this recoverable funding?

Mr MILLINER: The details of that are that we borrow the money from Treasury and repay that money over a five-year period with the savings that we achieve as a result of the information technology.

Mr LINGARD: That is the recoverable funding?

Mr MILLINER: That would be the recoverable funding. That is a standard arrangement within Government. That is the way it operates.

Mr LINGARD: I turn to Q-Clean. I refer to the staffing table on page 8 of the Portfolio Program Statements. I observe that within the maintenance and operations services, 3,968 additional positions over and above the 1994-95 level of 1,880 have been created. I understand that this has been the result of the transfer of cleaners from the Education Department. However, the Education Minister has indicated that 4,960 full-time equivalent positions have been removed from the Education Department as a result of this transfer. Clearly, there is a discrepancy. I ask: why do one Minister's Program Statements say 4,960 and yours say 3,968?

Mr MILLINER: As I said in my opening statement, Q-Clean has been a recent addition to the ASD stable. The core business of that organisation is cleaning. The way in which this organisation is set up is to look for efficiencies within

the cleaning service. The discrepancy there is in the number of casuals that have been employed. At this stage, there are 3,951 full-time equivalent employees in Q-Clean.

Mr LINGARD: Can you assure me that no cleaners have been put off in this change between Education and Administrative Services?

Mr MILLINER: No cleaner is being dismissed; however, voluntary early retirement packages will be offered to some people as we identify savings within the group and areas in which efficiencies can be made. We anticipate that there will be a downsizing of the organisation, but it will not be a loss of jobs through people being sacked.

Mr LINGARD: Are you saying most definitely that there are 1,000 casual cleaners?

Mr GRIERSON: The difference between Mr Hamill's figures and Mr Milliner's figures are the difference between total casual and full-time equivalent employees.

Mr LINGARD: Clearly the next question is: who pays the casuals?

Mr MILLINER: We pay the casuals as part of Q-Clean.

Mr LINGARD: You do not include them in your figures, yet the Education Department did.

Mr GRIERSON: No. The full-time equivalent figure of 3,951 when worked out in budget figures is the same as the 4,761, which includes casuals and full-time people.

Mr MILLINER: The big thing with cleaners is that nearly all of them work part-time. Very few people work on a full-time basis in that particular organisation.

Mr LINGARD: I note the drop in the next budget of approximately 400 cleaners. I assume that this represents 400 permanent positions to go?

Mr MILLINER: Yes, that is correct. They will be offered VERs.

Mr LINGARD: What money will be involved in the payout of those 400 cleaners?

Mr MILLINER: An amount of \$6m will be involved in that, and that will be recovered by the savings made as a result of the downsizing of the work force.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I ask Mr Livingstone to continue with questions from Government members.

Mr LIVINGSTONE: Your department appears to have substantially implemented commercialisation practices. What are the benefits of commercialisation for the Administrative Services Department and the Queensland public?

Mr MILLINER: The benefits to the Government and the public are quite substantial. Obviously, the first benefit to the Government is the savings that accrue as a result of the commercialisation of the business units within the department. Those savings have accrued in a number of ways. When one looks at the financial performance of those business units, one sees that

they are operating as a commercial enterprise and are returning the dividends to Government.

A very good example of the benefit to Government is an organisation such as Goprint, which previously was a budget-dependent organisation but which since its commercialisation is returning a profit. Instead of being budget-dependent, it is now making a positive contribution. Commercialisation also ensures that we have a more efficient organisation where we can start to undertake comparisons with industry generally and therefore finish up with a competitive market. Commercialisation ensures that we obtain best value for money from the organisations concerned. There is also less duplication of the functions of Government. From a Government point of view, there are many pluses in commercialisation. We are very pleased with the way in which that has occurred.

The employees working in the organisation gain greater job satisfaction from working in a commercial environment, knowing that they are in a competitive environment and that their survival depends on their performance. They also derive satisfaction from being able to develop the organisation into a successful business enterprise. The client departments benefit from that, because they are dealing with a far more efficient organisation whose core business is the business that they are in. To give you an example of that—an organisation such as Q-Fleet, whose core business is running a fleet, has much more data available to its client departments. It can impart that information on those departments to improve the efficient use of motor vehicles. Previously, there was very little information on motor vehicle accidents. We now have that statistical data.

Mr LIVINGSTONE: Other States in Australia are doing away with service delivery. Why is it that your department is staying with it?

Mr MILLINER: Governments around Australia have basically been engaging in fire sales. This Government does not have any ideological commitment to selling off its enterprises. I believe that there is false economy in some of the things that other Governments are doing. For example, a number of State Governments are selling their fleets. Victoria, South Australia and Western Australia are divesting themselves of their entire fleets. I believe that that is very dangerous. Although a one-off capital injection may be attractive, at the end of the day you will find that those Governments will be paying more for their services than they would be had they retained them.

We have been involved in partnering with the private sector to obtain the best return to Government. A very good example of that is our telecommunications. We have in place a telecommunications facilitator. That is set up on the basis of a company of which the Government owns 51 per cent and the facilitator owns 49 per cent. Through that structure, we gain the benefits of the private sector facilitator but at the same time retain control of the organisation. From that point of view, it is far better for Governments to retain control of

those organisations than sell them off. I believe that that approach is short-sighted and that, at the end of the day, the Governments concerned finish up paying more. To cite a very good example of that—some time ago, in the early seventies, the Brisbane City Council decided to sell its fleet to a private leasing organisation. After a very short period, it realised that that was not the way to go and the council ended up buying the fleet back. Such an approach is short-sighted, and I believe that the way in which we are doing it is far better.

Mr LIVINGSTONE: The Government has spent some \$200m on the Brisbane Convention and Exhibition Centre. What return can the taxpayers of Queensland expect from that investment?

Mr MILLINER: That will be a great investment in the future of Queensland for a couple of reasons, the first of which is that it has provided Queensland, and Brisbane in particular, with a magnificent facility that will attract international exhibitions and conventions to the city like we have never seen before. The bookings for that particular facility are extremely strong. We are very pleased with the interest that has been shown and the number of bookings that have been made. As I said, it will attract international conventions and exhibitions to Brisbane.

That facility will also create a massive injection into the economy of this region. It is anticipated that in the first six years there will be an injection of some \$800m into the economy, which will be great news for the business community and the economy generally of south-east Queensland. It is interesting to note that convention delegates seem to spend more than normal tourists, particularly international visitors to conventions. It is estimated that they spend in excess of \$500 per day during their stay at a convention. A national delegate to a convention spends something in the vicinity of \$250 per day. Members of the Committee can see that the type of person attracted to Queensland for a convention or exhibition will be spending a considerable amount of money.

The centre will also be creating a lot of jobs and it is anticipated that the additional employment amounts to something like 9,400 person-years to the year 2000. So this will be a great opportunity for creating employment in the area. All in all, it is a tremendous facility that will reap great rewards for the people of south-east Queensland, and the people of Queensland generally, because international delegates to conventions tend to travel more, and we anticipate that those delegates will probably go to more than one destination on their stay here whilst visiting a convention or an exhibition.

Mr LIVINGSTONE: The Brisbane Casino seems to be a success as far as gaming activities are concerned. What is your view on the outcome of the building project? Has it been successful?

Mr MILLINER: It has been very successful. Doing up a heritage building is one of those projects where you do not really know what you are getting into until such time as you commence the work. As I

keep saying, some \$330m has been spent on those three projects, that is, the Lands building, the car park at Queen's Park and the Treasury building. If we now drive up George Street, we see very little change to what was there three years ago. As I said, something like \$330m has been spent on this project, which makes that one of the largest building projects, if not the largest, that this State has seen.

I have already said that, because of the types of buildings we were dealing with, it was a very difficult process. An example of that complexity is that, at some stages of the rebuilding of the Treasury building, it was not possible to get machinery into the building so the workers had to physically get in there with picks, shovels and wheelbarrows to do excavations. It really was a complicated process and one which we really did not know we were getting ourselves into until we started the work. All in all, it has been a great project and the builder, Fletcher Construction, is to be congratulated on the way that it has conducted that operation. It was finished on time and everybody is delighted with the end result. The heritage values of those buildings have also been preserved.

I think that when people visit them they will be suitably impressed with the way in which the project has been delivered. Again, I think that the people of Queensland will be well satisfied with that result and that it will make a tremendous contribution to the economy of the State. It will also provide recreational pursuits for those people who come here. It is a great project and one that has been an outstanding success.

Mr DOLLIN: Last year, we discussed the newly completed 111 George Street building. Are all tenants in the building now and how is it performing?

Mr MILLINER: The building at 111 George Street was completed last year and it is now tenanted by four Government departments: the Department of Housing, Local Government and Planning is occupying floors 1 to 14, half of floor 15 and floor 19; the Department of Justice and Attorney-General, including the Arts Division, is occupying half of floor 15 and floor 16; the Department of Premier, Economic and Trade Development, including the Parliamentary Counsel, are occupying floors 17 and 18; and the Department of Business, Industry and Regional Development is occupying floors 20 to 26.

The building has been fitted out progressively to allow the departments to occupy the floors in stages according to the timing which has best suited those departments. Again, as the Committee would probably appreciate, that has been another outstanding project. It was part of the Accelerated Capital Works Program that was introduced by the Government and it has been a great example of what can be achieved. The tenants of the building are very happy with it and we believe that the building is performing up to expectations, especially with regard to energy management and the quality and the use of the space. Maximum use of available space is something that we always try to achieve. Energy management in this day and age

is an area that has to be addressed, and this particular building is doing that and doing it very well.

Mr DOLLIN: We have seen the completion of the Rockhampton and more importantly the Maryborough Government office buildings. Could you comment on the wrap-up of these two projects?

Mr MILLINER: Yes, I can. Again, these are part of our Accelerated Capital Works Program. As you can well appreciate, Mr Dollin, the Maryborough Government office building at the corner of Lennox Street and Alice Street was greatly appreciated by those Government departments within Maryborough because at that time it was acknowledged that there was a shortage of space within the city and that there was a need to do something to accommodate a couple of departments in a new building.

The new building has two tenants: the Department of Education, which has something like 1,145 square metres; and the Department of Environment and Heritage, which has 711 square metres. The total cost of the project was \$2.8m. The builders of the project are also to be congratulated for the quality of the work done on that building. I had the pleasure of being in Maryborough with you, Mr Dollin, and the Premier for the opening of that building. It has been well received by the community; it is a very good building.

The Rockhampton Government office building is at Bolsover Street in Rockhampton. It was another area in which a need for additional office accommodation was identified. That building was a larger project and it was completed in December 1993. There are four tenants in that building: the Lands Department, the Corrective Services Commission, DEVETIR and Treasury. Those departments are very happy with that accommodation. The total cost of the project was some \$18m, including the tenancy fit-out. Again, it was of great benefit to the Rockhampton community because not only did this project provide sought after office accommodation for Government departments and agencies, but it also—being part of the Accelerated Capital Works Program—stimulated the business communities of Rockhampton and Maryborough because most of the subcontractors employed on those projects were local. So, it achieved the two objectives that we set out to achieve, that is, to provide that sought after accommodation whilst at the same time creating the stimulus to the building sector in those two cities at a time when we were either in a recession or coming out of a recession. They are two outstanding projects and we are delighted with the end result of them.

Mr DOLLIN: I refer you to page 12 of the Portfolio Program Statements. It is stated there that strategic asset management is a major focus of the Building Division. What are the advantages of strategic asset management and will it realise any savings for the Government?

Mr MILLINER: Yes, it will. There has been very poor asset management within the

Government and, as a result, we have set up a strategic asset management organisation to see how we can best utilise Government assets. Through linking assets to service delivery, the SAM initiative will assist Government in identifying the true costs of services. For example, with accrual accounting we have to look at the true cost of a service; all too often that has been hidden and not taken into account.

Proper asset management identifies all the true costs, so you can manage that facility. Strategic asset management is something that we are very keen to pursue, because we recognise the value that Government gets out of the efficient management of its assets. At the end of the day, the obvious beneficiary will be the taxpayer, because if assets are managed efficiently you will get a better return. We are looking at better maintenance and decreased total life cycle cost of the asset. We identified that there had been a lack of asset management, and maintenance in particular had been an area that had been declining. Therefore, we have injected \$60m into a School Refurbishment Program which caught up a lot of the backlog in maintenance. That example illustrates the need for proper asset management to ensure that all assets are maintained to an acceptable standard.

Mr DOLLIN: What is the current situation with Government accommodation in the major regional areas of Queensland, and what plans do you have for the major growth areas?

Mr MILLINER: ASD manages approximately 358,000 square metres of office accommodation outside the Brisbane CBD. In order to ensure that the accommodation needs of Government agencies are met in major regional areas, my department is undertaking a role in surveying agencies to establish existing and future office accommodation needs in these areas and developing accommodation strategies to ensure that appropriate accommodation is provided in a cost-effective and timely way. It is very important to work with the client departments to identify what they want, where they want it, how they want it and when they want it.

The use of office accommodation is monitored by ASD, and the agency's demands for space are effectively monitored by a user-pays system. This approach ensures that space necessary for agencies' real needs is occupied, so that the best use can be made of existing accommodation and overall Government office accommodation costs are controlled. If you are running an efficient organisation, it is very important to control the costs of accommodation. We are very keen to pursue that, to make sure that those sorts of things do not get out of hand.

New Government office buildings have been constructed in Cunnamulla, Longreach and Mackay, with new private sector buildings to be leased by the Government constructed in Emerald and Charleville. Other major growth areas, including Cairns, Hervey Bay and Ipswich, are being investigated as a matter of priority in this process.

The CHAIRMAN: The Government members' time has expired. I pass the questioning over to the non-Government members. Leave is granted for Mr Quinn to ask questions.

Mr QUINN: Have all school cleaners been transferred to Q-Clean?

Mr MILLINER: Yes.

Mr QUINN: In your Program Statements, page 42, you have a cost of \$113m for salaries and wages. Who pays the school cleaners? Is that a cost which is reflected in your budget or the Education Department's budget?

Mr MILLINER: The Education Department is paying us and then we are paying the cleaners.

Mr QUINN: It is a contractual arrangement?

Mr MILLINER: Yes.

Mr QUINN: In actual fact, outlays would only appear within the Education Department PPS; they are not part of your outlays at all?

Mr MILLINER: That is right.

Mr LINGARD: I refer to page 42, the figure of \$113m allocated for cleaning schools and the commercial arrangement with the Education Department for the provision of such cleaning services. Is the Minister prepared to provide details of this commercial arrangement with the Education Department and explain what steps have been taken by the Minister to ensure that cleaning staff will be able to provide the full range of duties which they previously contributed to the school environment, ultimately for the benefit of the students, when employed by the Education Department?

Mr MILLINER: As I said, we are looking at setting this up as a unit whose core business is cleaning so that we can offer a fuller range of services, because cleaners will be able to work more efficiently than previously. The core business of education is educating students; we have found that you get greater efficiencies when the core business of a unit is its area of expertise. I believe that setting up the cleaners under a business unit whose core business is cleaning will improve the client service focus of the school and the cleaning function through the introduction of a cultural change process. There is a problem with culture in these organisations, and we have run into it time and time again. At the moment, we are negotiating a school-by-school agreement on what will be done by the cleaners. We believe that it will be more efficient and the clients will get a better service.

Mr LINGARD: I note your reference to those efficiencies and to that business arrangement. However, previously the school principal had control of cleaners and was able to tell them exactly what to do. Are you taking that power away from the school principal?

Mr MILLINER: No. The school principal still has the power to request school cleaners to undertake certain activities.

Mr LINGARD: Will he have control over the cleaners?

Mr MILLINER: Q-Clean has control over the cleaners.

Mr LINGARD: So there are members of the school community who will not be under the control of the principal?

Mr MILLINER: The principal will buy cleaning services in the same way as he buys maintenance services. At the moment, school maintenance people are not under the control of the school principal. The cleaning service will be provided in a similar way to that.

Mr LINGARD: I refer you to page 48 of the Program Statements and to the major program issue of Property Services. Queensland Property Management is moving to contract cleaning of Government buildings. This has resulted in a reduction of cleaning staff from 208 to 128 and the payment of voluntary early retirements as an incentive for cleaning staff to leave. However, the budget increases from \$2.036m to \$2.776m to cater for salaries, wages and related payments. Are any further voluntary early retirements to be offered to the cleaners within Property Services, and, if so, what are the expected costs of same?

Mr MILLINER: We are looking at the cleaning services provided by that organisation, and where we can identify that it can be done more efficiently we will look at what arrangements we put in place. But at the moment we are constantly reviewing how this organisation is performing and what efficiencies can be made. At this stage, we anticipate with the information available to us that there will be more VERs offered but we cannot tell you exactly what we think that number will be. However, we believe there will be more.

Mr LINGARD: In the light of that statement and given the fact that cleaning staff are being rapidly shed both by Q-Clean and Property Services and that the commercialisation of cleaning services is clearly high on the agenda of your department, do such moves indicate steps towards the eventual privatisation of cleaning services?

Mr MILLINER: No, they do not. We have given a commitment that we will not be privatising the work of school cleaners.

Mr QUINN: You mentioned before that the cleaning services for schools is not in the budget. Page 42 gives you the total amount of \$113m. Is that reflected on page 41 of your outlays?

Mr MILLINER: I will ask Mr Woodward to answer that.

Mr WOODWARD: The issue here is that the figures appear in our books because we expend on the salaries of those cleaners. We also charge the Education Department for those particular cleaners, so it also appears in their books because they are actually expending the charges that we invoice.

Mr QUINN: Is it shown as an income, a transfer from the Department of Education?

Mr WOODWARD: No, the PPS only shows the outlays, it does not show the incomes. It is expenditure.

Mr LINGARD: I refer to the Government Employee Housing Scheme which is administered through the Government services of your department. You have made much use of the statement that \$20.4m of the proceeds from these sales of claimed surplus housing would be reinvested in rural and regional Queensland. However, it is now apparent that only \$10m will be reinvested in new housing and \$5m will be used for routine maintenance and upgrading of present stock, which should be undertaken as part of the department's normal operations. Clearly, your asset based management strategy is at best failing as many of the 600 to 700 properties you intended to sell over five years are not becoming available and are not surplus to needs. In light of this obvious failure, I ask: are you able to provide advice as to who advised the sell-off of these properties without accurate market assessment, which has resulted in your sales targets and projected revenue from the sales not being achieved?

Mr MILLINER: I do not accept that it is failing because this year we had a target of 200 houses for disposal. We have reached something like 190 houses in a market that has declined. The reason we have not reached the targets this financial year is that we did not receive the houses as quickly as we had anticipated from the departments and, as a result of that, the funds from the sale of those houses will not come in until the next financial year. I do not accept that the program is a failure. The basis of this particular program is again to get together an organisation that starts to know what we have got, where we have got it and what condition it is in. Like our motor vehicle fleet and like our telecommunications, no-one could tell us what the telephone bill was, no-one could accurately tell us how many motor vehicles we had under our control. The Government Employee Housing Scheme has been set up to run the particular operation in an efficient manner and we believe that over the five-year period we will reach the targets that we have set. You must understand that we have approached this on a basis that we will not evict tenants from these houses. These houses will be voluntarily handed up by the client departments. As I said, we did not receive the number that we originally thought. That is because the properties were not vacated.

Mr LINGARD: I refer you to page 16. There is reference to an estimated number of 190 houses being sold. I ask you to give the exact numbers that have been sold in this period.

Mr MILLINER: As at 31 May, we have actually offered 190 and I can give you the towns where they are—Brisbane, 9; Bundaberg, 14; Cairns, 11; Gladstone, 20; Gold Coast, 3; Gympie, nil; Ipswich, 5; Mackay, 22; Maryborough, 10; Rockhampton, 25; Sunshine Coast, 16; Toowoomba, 18; Townsville, 22 plus 15 other centres.

Mr LINGARD: Did you say you had got rid of 190?

Mr MILLINER: There were 190 identified for disposal as at 31 May and are in the process of being disposed of at the moment.

Mr LINGARD: I ask once again: how many have actually been sold in that period?

Mr MILLINER: They are in the process of being sold. I cannot give you an accurate figure of how many have actually settled at this stage. But they are in the process of being sold. That is why the revenue from the disposal of those properties will not come into this financial year. That is why that figure is down. But we believe that those properties are now being disposed of and the revenue will come into the next financial year. At the moment the ones that have actually been sold or under contract are 113 with the rest of those properties on the market.

Mr LINGARD: Given the fact that you have sold only 113, who has made an assessment that there will be another 190 sold in the next financial year? Clearly they will not be as suitable for sale as the houses sold this year? Who has made an assessment that there is another 190 to be sold?

Mr MILLINER: We have made that assessment. What you have to understand is that you are in the market place and, as you can appreciate, when we made the first assessment of 190, it was a fairly buoyant market. The increase in interest rates recently obviously had an impact on the market. But with interest rates again coming down—and all the indications are that that will continue for sometime—we believe that it is an achievable objective to sell those properties in the next financial year, given that those other properties have not been sold as part of that initial 190 and are still on the market.

Mr LINGARD: You have gained great publicity about the building of \$20.4m worth of housing. Clearly, you have not gone anywhere near that figure. I ask you: exactly how much has been spent on the building of housing in rural and remote areas?

Mr MILLINER: I can tell you the number of dwelling units that have been built. In 1994-95, there were some 46 dwelling units consisting of 23 houses, 10 duplexes and a triplex. We believe that there will be 39 units in 1995-96. In 1994-95, \$8.15m will be spent on the major capital works program for those 46 units. Also, we are obviously looking at upgrading existing residences.

Mr LINGARD: You can appreciate my request for a figure of how much you have actually spent this year.

Mr MILLINER: These are the accurate figures. At 31 May we have spent \$3.81m. The planned amount for 1994-95 is \$8.15m.

Mr LINGARD: Do you agree that the \$5m that is being spent on upgrading of housing was always money that was spent by the Department of Administrative Services?

Mr MILLINER: Not necessarily because, as I indicated to you earlier, we did not have an organisation that was looking after Government employee housing. Administrative Services looked after its own houses and the various departments were responsible for their housing. So it is not true to say that the money was necessarily spent by

Administrative Services, because various other Government departments did various things. That was one of the inequities in the whole system. Some departments maintained their houses; others did not. Now that we have housing as a core business under ASD, we can start to upgrade those houses and bring them up to an acceptable standard.

Mr LINGARD: Do you not think that it is basically dishonest to say that you are spending \$20.4m on rural and remote housing when some of that money is being spent on upgrading and clearly you have only \$3.8m from the sale of the houses to spend? You have not spent anywhere near \$20.4m.

Mr MILLINER: We said that we were spending it on housing. We did not necessarily say that we were spending it on building new houses. We said that we were spending it on housing, which always included upgrading of that housing.

Mr LINGARD: Do you agree that, as a maximum, there is only \$10m to be spent on actual new housing?

Mr MILLINER: In 1994-95 there will be significantly less than \$20m, as I indicated to you, because we did not have the houses handed up to us to enable us to dispose of them within the financial year. This scheme was always based on revenue retention on the sale of those houses. It is a fact of life that this is not a one-year program; it is a program that will go for several years. We believe that, at the end of the program, we will have reached the targets that we have set.

Mr LINGARD: You have just said that it will be significantly less than \$20m. QEHS documents show that it is no more than \$10m. Is the \$10m mentioned in the QEHS documents correct?

Mr MILLINER: Sorry, the QEHS?

Mr LINGARD: I am sorry, the Queensland Employee Housing Scheme documents.

Mr MILLINER: Which documents are you talking about?

Mr LINGARD: Documents that have come out from the department. I am asking: is \$10m the figure?

Mr MILLINER: Is \$10m the figure for what?

Mr LINGARD: For construction of new houses?

Mr MILLINER: For 1994-95?

Mr LINGARD: In the Rural and Remote Area Program—not \$20.4m.

Mr MILLINER: I am sorry. Are you talking about the total program?

Mr LINGARD: No, I am talking about the money that will be spent on building new houses in the Rural and Remote Area Program. I am saying that the maximum is \$10m—that has always been your plan—with \$5m to be spent on care and maintenance.

Mr MILLINER: Is that for next year or this financial year?

Mr LINGARD: Over the whole program.

Mr MILLINER: No. Please bear with us while we get some information. You are talking about the whole program.

The CHAIRMAN: Mr Lingard, would you like to put that question on notice? Take that question on notice, please, Minister.

Mr LINGARD: I refer to removal of playground equipment throughout the State during 1993-94 as part of the Schoolsafe Program to make playground equipment safe and to the cooperation between your department and the Education Department to facilitate the replacement of the playground equipment. Last year at the Estimates Committee proceedings, you gave your commitment to have the equipment replaced by the end of the 1994-95 financial year. I ask: have all schools had their equipment replaced?

Mr MILLINER: My information is that all the schools have had the equipment replaced. That is the information that is available to me. In 1994-95, we had \$7m which was expended on that program, and we believe that Education will have some money allocated in its budget for improvement of the program. My understanding is that all the playground equipment that was removed has now been replaced or is in the process of being replaced.

The CHAIRMAN: The time period allocated for questions by non-Government members has now expired. I now ask Mr Szczerbanik to continue the questioning for the Government members.

Mr SZCZERBANIK: Returning to the subject of asset management of Government buildings, I ask: what is the general state of Government buildings throughout Queensland and what are the main areas of your concern?

Mr MILLINER: The general state of the buildings is improving. As I indicated before, the area of asset management has been an area that has been lacking. As a result, we are now treating asset management very seriously. In Education, I think it is probably fair to say that there have been some concerns about the way in which the assets have not been maintained to an appropriate standard over a number of years. As a result, as I indicated before to the Committee, we had to spend some \$60m on the Schools Refurbishment Program to attempt to bring those assets up to date. The Government is now spending an additional \$30m over three years on the Education Department's maintenance needs. Again, that is to catch up on a backlog of maintenance and refurbishment. The Government has also allocated an extra \$5m to the maintenance appropriation in 1995-96 for the increase in assets due to the Capital Works Program.

We are very conscious of constantly improving the capital base of the Government by providing new facilities such as Government accommodation, new school buildings and courthouses. We are working closely with Treasury to look at this whole area of asset management. It is a vexed question.

As well as looking at the normal maintenance of assets, we are now faced with statutory requirements on matters like ozone-depleting substances, asbestos and backflow prevention devices. We are spending \$31.2m over the next three years on those three areas. It is probably true to say that the maintenance of the assets has not been as good as it probably should have been, but we are working to bring those buildings up to an acceptable standard and continue to maintain them to that standard. At the end of the day, it is more cost-effective to do that but, if you are looking for savings, it is very easy to start to decrease things like maintenance on buildings. The maintenance of the Government buildings is an area of concern, but it is an area that is being addressed.

Mr SZCZERBANIK: You spoke about a discussion with Treasury on a maintenance levy for Government buildings. Can you enlighten the Committee on what those discussions involve?

Mr MILLINER: We are looking at making Government departments more responsible for what they are doing. We are currently discussing with Treasury the prospect of a maintenance levy being given to the departments so that they can start to take control of their maintenance needs. One of the problems that we have encountered is that there really has not been asset management or management of maintenance. We do not seem to have planned maintenance to the degree that we would like. We are discussing with Treasury the prospect of a maintenance levy that would be based on the categories and quantum, age and condition of the assets. The funding requirements resulting from the levy will reflect the maintenance requirements of the Government's portfolio of assets and a more accurate picture of funding shortfalls can be more easily identified.

That is a very serious area that we are addressing. It is one that should have been addressed years ago but, unfortunately, it was not. As I said, the asset base of the Government is increasing at a fairly dramatic rate. If we do not get this whole issue of asset management under control, in the very near future we will find ourselves in a situation in which the assets are falling into disrepair and therefore facing a cost of many more millions of dollars to bring them up to acceptable standards. That it is an area of which we are very aware.

Mr SZCZERBANIK: In an earlier answer, you referred to new initiatives in the maintenance program. One of those new initiatives is on page 24 of the PPS, and that is the removal of ozone-depleting substances from Government buildings. Could you elaborate on that? What time frame do you propose for that program?

Mr MILLINER: This is a very important question. Ozone-depleting substances are causing great concern in the community. The typical ozone-depleting substances are refrigerant gases in airconditioners, cold rooms and freezer rooms and halon gas in fire-extinguishers. It is very important that we start to look at how to address those particular issues and how to remove those ozone-depleting substances. The initial proposal is to

eliminate the use of ozone-depleting substances in Government buildings, and the ASD is responsible for that maintenance. This action is in response to the Montreal protocol, which is an international agreement that sets in place measures to phase out the use of ODSs. Subsequent Commonwealth and State legislation has an obligation to control the use of ODSs by providing for an orderly phasing out within set time frames. All Buildings Services equipment is to be converted or replaced with equipment that uses ozone-friendly alternatives that have little or no effect on the ozone layer. There will be no new supplies or manufacture of significant ODSs after 31 December 1995, and the demands on remaining supplies will see stocks deplete very quickly. Recycled supplies will be all that will be available.

Something like 2,000 buildings are affected. The equipment includes airconditioners, cold rooms and freezer rooms, and the substances are normally in the form of gases. It is proposed to address all affected equipment over the next three years at an estimated cost of something like \$11.3m. In the 1995-96 budget, there is an allocation of \$3.7m to start to do that. It is a very serious environmental question and one that we are taking seriously. We believe that we will be able to achieve those targets over the next three years.

Mr SZCZERBANIK: I refer again to page 24 of the PPS. I notice a major program issue for the Government Services Group is providing a backflow prevention device. Can you enlighten the Committee on what that initiative is?

Mr MILLINER: Again, this is a very important environmental question: what do you do to prevent backflow? The purpose of this initiative is to prevent contamination of drinking water supplies owing to the risk of a backflow. Examples of backflow contamination include fertilisers from school irrigation systems, foreign substances from laboratories, processed chemicals at TAFE workshops and chemicals from school science blocks. A wide range of Government buildings and complexes means that there is a significant exposure to the risk of contamination. Estimates have been prepared for Q-Build to provide adequate backflow prevention devices to protect occupants and the users of Government buildings. We have identified something like 2,400 high-risk sites that have to be reviewed. The typical sorts of things that we are looking at are schools, TAFE colleges, research facilities, science laboratories and correctional centres. We have allocated \$3.6m over 1995-96 to carry out a detailed technical survey and to install devices in buildings that have an extremely high risk of exposure. The estimated total cost of the program is \$16m over five years. That will depend on the results of a survey and inspections that have been carried out on those buildings. Again, it is a very important environmental issue that we are addressing, and we are confident that we will be able to achieve the objectives that we have set out to achieve over that time frame.

Mr LIVINGSTONE: The Built Environment Unit of the Government Services Group describes its services as assisting with the Government's

Energy Management Program. What has been achieved to date by this unit with respect to reducing the energy costs in Government building facilities?

Mr MILLINER: Again, energy management is a very important environmental issue that is facing the community and one that we are taking very seriously, as we are with all of these environmental questions. An energy conservation manual, which provides guidance to building occupants on implementing measures to reduce energy costs by \$2m to \$3m per annum over a two-year period, is ready for distribution to Government agencies. Already, you may have seen the sorts of initiatives that have been taken in that area. Recently, the Premier announced that the lights external to the Executive Building were to be extinguished during night-time hours—again to save energy.

Guidelines setting out the standard practice requirements for the design and installations, using LP gas as an energy source, will be ready for distribution to consultants in July 1995. Energy audits on 14 central business district office buildings in the 1994-95 financial year have identified an additional reduction of \$532,000 per annum in energy costs. Investigations are being conducted to establish the feasibility of purchasing electricity on a more economical bulk supplied basis. The Switch Off Program, to which I alluded earlier, has entered its final stage. The program focuses on reinforcing the initiatives that have been implemented and the benefits relative to assisting with reducing environmental pollution. Examples of measures which will result in reducing energy costs in Government buildings are: conducting building energy audits to identify areas where savings can be made on a continuing basis; the provision of guidelines that will assist building designers to identify energy conservation concepts; and the provision of a technical advice service to client agencies.

As I said, this is an issue that we are taking very seriously. We are working very closely with other Government departments to ensure that we start to achieve the objectives that we set out to achieve, so that we can look at the Energy Management Program in a coordinated way so that it causes the least effect on departments and buildings. I am very confident that we will achieve significant advances in the energy management sector over coming years. Again, that will be to the benefit of the entire community, because there are fairly substantial financial benefits to be reaped as a result of efficient energy management as well as addressing environmental concerns.

Mr LIVINGSTONE: A lot has been said about the disposal of Government building assets. What is the process, and what has been achieved to date?

Mr MILLINER: There has been a lot said about the disposal of Government buildings and Government assets. Again, as I indicated to you, it is the efficient management of your assets. From time to time, we identify assets that are surplus to requirements, whether they be real estate or other

assets, and it is only right and proper that we dispose of those assets in an orderly manner to achieve the best return to the Government. Obviously, the most contentious part of this will be property disposal; but with our strategic asset management group and our Property Services Group, we have been able to go through with the departments, look at their property and asset portfolios and identify those assets that are surplus to requirements. Probably the more notable ones that have been identified over recent times are things like the Cairns Railway Station, the Cairns Court House site, the Cairns Central State School site, the Surfers Paradise school site and the Southport school site. Other assets that have been disposed of have given very, very good returns to the Government.

To give you an example of why we have to have proper asset management in place—recently, it was identified that there was an 800 square metre block of land at Port Douglas that was previously the site of the sergeant's residence. The residence had been removed from that property and reconstructed in another part of Port Douglas. It was a vacant block of land, and the Police Service had earmarked it for the location of a radio transmitter. We identified that property in consultation with the Police Service as being surplus to their requirements, and it was put on the market. It returned to the taxpayer \$1.2m for that 800 square metre, prime residential block. That is one very good example of why you need to have proper asset management in place so that you can manage those assets.

Let me take school sites as an example. The Surfers Paradise State School site was in the heart of Surfers Paradise. It was no longer required for educational purposes. After canvassing other Government departments, it was identified as being surplus to requirements. Therefore, it was disposed of in an orderly manner. We dispose of properties in such a way as to obtain the best return.

Mr LIVINGSTONE: What has been achieved through Construction Industry Development Agency initiatives to date and what is planned?

Mr MILLINER: CIDA is a very interesting concept that was set up by the Commonwealth Government to look at micro-economic reform strategies for the building and construction industry. It is probably fair to say that CIDA has been very successful in recommending reforms within the construction industry. Obviously, that benefits not only the industry but also the end user of its products, namely, the clients. Large sums of money are involved in the construction industry.

To date, CIDA has produced over 25 products, including Australian Standards and guidelines publications, learning packages and reports that address specific industry issues. The Queensland Government is a signatory in principle to the reform and development agreement and is committed to the CIDA process and the implementation of industry reform in Queensland driven by the department. As you would appreciate, its initial phase is about to conclude. In accordance with its

original charter, CIDA will cease to exist on 30 June this year. A new organisation to be called the Australian Construction Industry Council will commence operation and continue the reform process in the industry. It is acknowledged not only in the industry but also in the general community that CIDA has performed very well, has made significant recommendations and has improved the building industry significantly.

I understand that ACIC will have a small membership of some 10-odd industry leaders who will report to the Commonwealth Minister responsible for the construction industry. The core functions of the organisation will include the leadership of ongoing reform, the review of strategic issues in the industry, prioritising and facilitating work programs, promoting the exchange of information on reform in the industry and providing advice to the Minister. The Queensland Government fully supports the establishment of this new council and anticipates that its core functions will provide benefits for the industry in Queensland. When you look at some of the major construction projects in Australia, you see that there has been a tremendous amount of reform in the industry. I am very confident that those reforms will continue under this organisation and that we will finish up with a more efficient and better industry.

Mr LIVINGSTONE: What is the current relationship between your department and the building industry, and what are the major issues that you are addressing?

Mr MILLINER: We have a very good working relationship with the building industry. Recently, we have been engaged in consultation with the industry. As I said in my previous answer, the industry is going through change. It is very important that we work through that change with it. Given that ASD is probably one of the largest clients that the construction industry has in this State, it is very important that we start to look at how we can work together to achieve the best results that we possibly can. To do this, as I said, we have been holding regular meetings with the industry.

Following the PSMC review, an industry working group was established to review the department's contract system, procurement methods and its participation in industry forums at regional, State and national levels. We are working very closely with the industry so that we can better understand it and it can better understand us. One of the major issues that we as a department have been addressing with the industry is the project procurement system and the contract selection process.

The CHAIRMAN: That time period allocated for questions by Government members has now expired. We now return to questions from the non-Government members. Mr Lingard?

Mr LINGARD: I refer again to the replacement of playground equipment. You indicated last year that you were working closely with P & C organisations throughout the State on the removal of the equipment and that you were having a close look at the P & C organisations that

had paid for the replacement of the equipment. I ask: have all parents and citizens organisations throughout the State which replaced equipment at their own expense been reimbursed by your department?

Mr MILLINER: No, they have not, because that would be a matter for the Department of Education. Education is the department responsible for that program. It is our client and we conducted that program on information supplied to us by it. As to the replacement of school playground equipment—all schools have had their basic requirements met as a result of this program.

Mr LINGARD: Can you please detail the total budgeted and actual costs of staging the opening of the Convention Centre last night? Can you further detail the separate accounts for food, beverages and entertainment? How many attended?

Mr MILLINER: Approximately 2,800 attended. The rest is a matter for the South Bank Corporation, which is not under my ministerial control. The opening of the Convention Centre last night was organised by the South Bank Corporation. We did not have anything to do with it.

Mr LINGARD: Who pays the costs?

Mr MILLINER: The South Bank Corporation.

Mr LINGARD: The department's use of a design and construct tender for the Brisbane Convention and Exhibition Centre has been extremely controversial. The PSMC has endorsed the non-traditional form of construction tender, involving integrated design and construction and under which "time is critical". The PWC further supports this view in its BCEC report recommendation that the "design and construct method be used in those cases where it is justified in terms of delivery time and cost." I ask: what time imperatives dictated the use of this method for the BCEC project?

Mr MILLINER: There were no time imperatives for that project. It was as a follow-on to the request from the Premier's Department. That is where that came from. I think it is fair to say that the result is an outstanding success. The design and construct process that was adopted gave us a choice. We have a very good product and it has proved to be cost-efficient. We are very satisfied with the result.

Mr LINGARD: In admitting that there were no time imperatives, you are obviously admitting that you are going against the PSMC report and the PWC report?

Mr MILLINER: Those reports are recommendations, not mandatory requirements. We believe that we obtained the best product we could in relation to those projects. Bearing in mind that they are large, one-off projects, we believe that the design and construct method gave us the flexibility to choose what we believed to be the most appropriate building for the purpose.

Mr LINGARD: In answer to a question on notice from me in relation to the Convention Centre, you attributed the cost overruns to the "late

appointment of the operator/manager". Does the delayed appointment of the operator/manager, firstly, go against the established practice of the private sector and, secondly, against plain common sense? What was the reason for pushing ahead with project planning and development without appointing an operator/manager—the end user of the building—to consult with in the initial planning and construction stages? Why was there such a hurry?

Mr MILLINER: As you can appreciate, that was before my time as Minister. I understand that it was intended initially to have the operator appointed at the time of construction. However, complications arose because nine organisations indicated an expression of interest to be the operator, of which seven withdrew. That left a choice of two. At that stage, it was identified that there was a joint shareholding by one individual. That caused a delay in appointing the operator. At that time, it was decided to proceed with the building. In hindsight, I believe that it was a correct decision. Had the project been delayed pending the appointment of an operator, I believe that with rising interest rates and a number of other factors, in particular the increased cost of building materials, the building would have come in substantially over what we eventually paid for it. I believe in hindsight that the decision was right. Whether it was lucky or not is another question, but it was a proper decision to continue with this project. I think that we got an outstanding project at the end of it.

Mr LINGARD: I refer again to an answer you supplied to me in relation to the \$33m cost over-run on the Brisbane Convention and Exhibition Centre in which you stated that it would be impossible to detail individual cost adjustments for variations. Are you saying that you approved those variations blind without knowing what the cost on-flows would be?

Mr MILLINER: Again, it was not my responsibility to approve those requests for variations. A steering committee was set up to oversee that, headed by Mr Erik Finger, who was then the Director-General of the Premier's Department and composed of Mr Ron Paul from the South Bank Corporation; Mr Henry Smerdon; Mr Ross Dunning; Mr Graham Hartley, the Deputy Director-General of the Department of Transport; and Ken Rosebery, the Director of the QTTC. So there was a steering committee that assessed all the requests for any variations to the project. When you look at the enhancements that have been made to that project, it can be seen that we do have a bigger and better facility as a result. When I sat down and examined the sorts of modifications that were made to that building, I personally agreed with them. We now have a facility that is the best in the southern hemisphere and ranks among the best in the world. For those minor alterations—and some of them were not minor—I believe that we have a better end product.

Mr LINGARD: One could hardly say that the roof structure was a minor alteration. Are you saying that neither the steering committee nor yourself were ever aware of the price variations in the actual costs?

Mr MILLINER: I am just saying that the members of the steering committee were the ones who looked at these enhancements. The steering committee was not under my ministerial control and so it did not report to me.

Mr LINGARD: Would you not agree that usual tendering process has been that, when a price variation came about, people were aware of the actual cost of that variation?

Mr MILLINER: Sorry?

Mr LINGARD: In the normal tendering process on a design project, price variations would be known and would be tendered for. What you are saying is that neither the Government nor the steering committee—no-one—knew the actual costs of the price variations.

Mr MILLINER: Obviously, with an item such as a lift, you would know the cost of the lift; but when you have an increase in building products such as steel, you would not know the cost of such an item. Steel is a very good example of the way in which a price increase can occur. The price of steel increased significantly from \$3,519 per tonne in May 1993 to \$4,964 per tonne in October 1993—an increase of \$1,445 per tonne. This project required something like 3,700 tonnes of steel. That increase in price could not be predicted.

Mr LINGARD: Given that the international success of the convention centre is contingent upon Brisbane's ability to cater to accommodation demands and given that various tourism industry commentators—including the Meetings Industry Association of Queensland, the Brisbane Visitors and Convention Bureau, Morgans Stockbroking and Rider Hunt—have all flagged an acute accommodation crisis looming in Brisbane, I ask: did the feasibility study for the convention centre include an assessment of Brisbane's accommodation capacity?

Mr MILLINER: I hardly think that these matters come within the Estimates of the Administrative Services Department. However—

Mr LINGARD: Was money spent on a feasibility study?

Mr MILLINER: Not by this department.

Mr LINGARD: Was any money spent on a feasibility study when you agreed to increase the seating capacity?

Mr MILLINER: Not by this department. We were the project managers of the centre. The responsibility of the project was not within this department.

Mr LINGARD: What you are saying is that the operator/manager came to you and said that it would be a good idea to improve the roofing and to improve the seating, and on the basis of that comment you agreed to increase the cost by \$30m. Surely your department would undertake a feasibility study to ascertain whether the accommodation available could cater for an increased facility such as that? Surely you would not agree to the request of an operator/manager who

said, "I can build more seats and a better roof for \$30m. Give me \$30m"?

Mr MILLINER: He did not come to me. As I pointed out earlier, he came to the steering committee, which was not under my ministerial control. I think that Mr Wilson has indicated that he wishes to make a comment.

Mr WILSON: This was before my time, too, but the important point to realise is that there was this steering committee. There were a number of variations recommended by the operator. I do not think that extra seating was actually part of those. I think what you might be referring to is the fact that they believed that the convention centre at peak conditions might be capable of carrying more than the population that had been allowed for in the design and the provision for emergency evacuation facilities, fire ratings and things like that. I think that might be what you are referring to in terms of seating. So they were enhancements that were made to the convention centre. The question of flow-on effects in terms of hotel accommodation really was another matter.

Mr LINGARD: Minister, you would have to agree that you have continually said that we have a better facility for the extra \$30m; we have a facility that will be able to cater for international conventions.

Mr MILLINER: Sure.

Mr LINGARD: On what grounds are you making that statement when you have already been told by Rider Hunt that there is a critical accommodation shortage in Brisbane?

Mr MILLINER: A 300-bed hotel is being constructed next door. As I understand it—and again this is not within my ministerial responsibility—there is keen interest in another site on the Southbank for the construction of another hotel. Another major hotel, the Novotel, has recently opened in the Brisbane CBD. With the completion of the railway line to the Gold Coast, there will be access to accommodation in that region. Again, those matters are not within my ministerial portfolio.

Mr LINGARD: I refer to the Rider Hunt report, which states—

"Brisbane has just had an injection of 433 new rooms in Novotel and also the Conrad Treasury and will have the South Bank hotel with another 304 rooms. But that is totally inadequate for the new Exhibition and Convention Centre."

So there is a report which states—

Mr MILLINER: That is their opinion.

Mr LINGARD: Subcontractors working on Government projects have had considerable difficulty in finalising payments. I refer to difficulties experienced on the Gondwana site, the Gold Coast railway, the Brisbane convention centre and the difficulties experienced yesterday at the Cairns Convention Centre. Since you are now responsible for the security of payment to subcontractors, why

have you not been able to resolve this issue even on Government projects?

Mr MILLINER: We are acknowledged as leading Australia in the field of protecting subcontractors. We are including in contracts AS2124 with special clauses which provide security of payment to subcontractors in the event of a contractor failing to honour its obligations. You ought to be very careful that you distinguish the question of a dispute arising between a contractor and a subcontractor. That is a dispute between two parties in a commercial environment and there are mechanisms to resolve those types of disputes, namely either through mediation or ultimately the courts. You ought to be very careful to separate what may be a dispute between two parties from the failure of a party, particularly the principal, in the business sense. When that occurs, we have in place in contracts with ASD those provisions that protect subcontractors.

A very good example that worked well was the Cape York Peninsula Health Program, where we had contracted a construction company called Prentice to construct a number of facilities in Cape York for us. Prentice eventually went into liquidation, but because we had the security of payment in place, we were able to move in, take over the projects and pay the subcontractors. Although the project eventually finished up costing us more due to its remoteness and some other difficulties, at the end of the day the projects were delivered to us and the subcontractors were satisfied with their payments. So it has worked very well.

Again, you have to look at the difference between disputes between two parties and a failure. It is interesting to look at the number of failures that have occurred. We have been working very closely to assist contractors and to look at them to see whether they are viable. In 1991-92, 14 contractors failed; in 1992-93, five contractors failed; 1993-94, two contractors failed; and in 1994-95, to date, there have been no failures. You also have to look at the number of subcontractors' charges lodged. In 1991-92, there were 269; in 1992-93, there were 73; in 1993-94, there were 33; and in 1994-95, there were 13. So you can see that there has been a substantial decline in those problems. As I said, we are acknowledged as being the national leader in offering protection to subcontractors.

Mr LINGARD: I would like to continue that, but time does not permit. Therefore, I refer you to the legal action brought against individual members of the State Purchasing Council, including business and union representatives, by a Western Australian company and to a subsequent action brought against your deputy director-general and another member of your department. I understand that this matter is continuing and that there will be a conciliation conference this Friday, 9 June. However, can you detail the cost to date in fighting this legal battle on behalf of individual defendants, and what is the potential liability to the Government?

Mr MILLINER: At this stage, the cost to the State is approximately \$6,000. I do not have an individual breakdown of that, but the cost is about

\$6,000. As you quite rightly pointed out, there is a conference this week, and I am confident that the matter will be resolved there. If that occurs, we will all be happy. The senior counsel advice that we have received is that the members of the State Purchasing Council have good prospects of successfully defending the action, so we are very confident of that.

I also acknowledge that you did ask a question in the Parliament regarding this matter. As I said, I am confident that it will be concluded at the end of this week or shortly thereafter. Once this legal action is concluded, we will obviously start to have a look at the whole issue of incorporation of the organisation and where we go to offer those people the protection that they probably deserve. It is a question that we will be looking at.

Mr LINGARD: Do you believe that the department should have taken action faster to protect the members of your department?

Mr MILLINER: I think that the State Purchasing Council has been one of the great successes in this area of purchasing. I think that things have been going very well. In hindsight, things may have been done differently, but we believe that the council was operating well; we did not anticipate that it would face this situation. However, having faced it, we are now going to address it. The council will certainly be looking at the ramifications of this and we will be looking at where we go with the council from here. We will be doing that with a view to putting in place some form of protection.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I would ask Mr Livingstone to start questions from the Government members.

Mr LIVINGSTONE: I am interested in the Government Employee Housing Scheme. Why did the Government select the current rationalisation centres for the disposal of houses? How many public servants in these centres have access to public sector housing generally? How much is the Government intending to spend on the Government Employee Housing Scheme over the next five years and how will it be determined where houses will be built, purchased or upgraded?

Mr MILLINER: As I said earlier, this was one of the initiatives that we as a Government have taken, to put in place a Government Employee Housing Scheme. We are looking at the whole question of the provision of housing for Crown and Government employees. It is probably fair to say that it is one of the most inequitable situations that those in Government employment face because in some cases, in some of the provincial cities, there is a ratio of one Government house to 60 employees, which means that 59 employees miss out. We generally find that it is normally the senior people within the regional areas who are the ones occupying those houses.

We looked at the demographics of the regions and we looked at where people were choosing to live and we discovered that, in some of the provincial cities, people were considered to be

permanent residents in those areas. That being the case, we believed that, like people in Brisbane, we should be providing housing to those people. We then decided to look at disposing of the stock that we were able to dispose of. For example, you may recall that, many years ago, when you went over the New South Wales border there were tick inspectors at a tick gate who were employees of the DPI. They lived in houses on the Gold Coast. There were three houses on the beachfront at Bilinga that were no longer being occupied—they were surplus to requirements—that were disposed of for a price of \$1.6m. That is the background to the Government Employee Housing Scheme.

This probably relates back to an answer to a question that we had on notice—we are now spending \$46m on the program and we are working very closely with the departments. The departments are identifying the remote areas in which they require housing to be constructed. This does not mean to say that employees in other centres throughout the State will not be entitled to some form of housing assistance. The Defence Department in the Commonwealth is a very good example of a department that has disposed of houses and is now leasing homes. If a department decides that it wants to assist an employee in a particular area, there is nothing to stop that department from subsidising the rent in private accommodation, which this department will be able to negotiate with the private sector.

Mr DOLLIN: What benefits has the Telecommunications Facilities Management Arrangement brought to the Queensland public sector?

Mr MILLINER: That is an important question, because one of the outstanding successes of the Government over the last few years has been the management of its telecommunications. In 1989, when we came to Government, a threshold question was asked: what was the Government phone bill? That bill could not be identified. Telecom sent something like 7,000 telephone accounts to various Government agencies and there was no management of the facility at all.

We sought expressions of interest from the private sector to become involved in a process of telecommunications management. We put in place a system by starting a company called SunNET. The Government has 51 per cent ownership of that company and Pacific Star, appointed as the telecommunications facilitator, holds 49 per cent. So the Government still has the control. That has allowed Pacific Star to go out and broker with suppliers so that we get a better rate for telecommunications tariffs.

In the 1993-94 year, \$14m was saved. In the 1994-95 year, some \$18m has been saved. As well as saving that sort of money, this has been outstandingly successful because Pacific Star has been able to increase its business substantially. It now works with the Defence Department in the Commonwealth Government and it has the contract with the Western Australian Government which is based on our model. We have also generated jobs

in Queensland because Pacific Star now employs something like 250-odd people in Queensland.

As well as these tremendous savings to Government, there has been a flow-on effect with jobs. To give an indication of the inefficiencies that were in the system, it was identified that some 4,000 telephone lines were without telephones at the end, and we were paying about \$1.2m rent on disused telephone lines. Pacific Star has identified those problems within the system, tidied them up and achieved the sorts of savings I outlined earlier. It has been an outstanding success, and the people involved are to be congratulated for the way in which they have operated. As I said, Pacific Star is now being used as a model for other States and I am very confident that, with the rapid development of the telecommunications industry, there are still substantial savings to be made in this area.

Mr DOLLIN: I understand that the department has taken advantage of increased competition in the telecommunication industry to provide better service and cheaper rates for Government departments, and also for the average Queensland taxpayer.

Mr MILLINER: Yes. We have been in a position to take advantage of competition in the telecommunications area, which has been very healthy. When the telecommunications area was deregulated, a lot of people were concerned that that would have a detrimental effect on Telecom. The reverse has been the case, as Telecom is making record profits of \$1.7 billion in an environment of competition. Competition has grown the market and Telecom has been a beneficiary of that, as have all telecommunications users.

Our facilitator has been successful in negotiating tariffs with both Telecom and Optus at very competitive rates. Our STD traffic outside the metropolitan area was negotiated with Optus at a very attractive rate, and obviously the beneficiaries have been the taxpayers of Queensland. With the deregulation of the market, the industry grew and, in contrast to the fears of many people at the time, we now have a very vibrant industry.

The savings for the Government, and the taxpayers of Queensland, have been substantial. The aggregation of billing in 1993-94 was \$7m, and in 1994-95 it is \$9m. Changing from the old PABX telephone service saved \$1m in 1993-94, and \$1.4m in 1994-95. The estimated savings from the consolidation of bills in 1993-94 was \$3.4m and is again \$3.4m in 1994-95. I am very confident that Pacific Star, which is doing an outstanding job in negotiating tariffs with the carriers, will continue to do so. As I say, the ultimate beneficiaries will be the Government of Queensland and the taxpayers.

Mr DOLLIN: On page 9 of the Portfolio Program Statements it is stated that the Building Division administers the Government's Neighbourhood Safety Audit Program. Please outline the achievements of the Neighbourhood Safety Audit Program.

Mr MILLINER: The community is concerned about the question of law and order and one of the very positive things that we have put in place is the

Neighbourhood Safety Audit Program. This was established within the department in 1993 to administer funding and coordinate the program Statewide.

The program has been working very closely with the Queensland Police Service, officers from the Crime Prevention Unit and Neighbourhood Watch organisations to provide funding for an organisation to do safety audits within communities. The audits look for overgrown trees, inadequate street lighting, the provision of public telephones; basically, how they can improve the safety of the area relatively simply. It is true to say that, with very little effort, local communities are able to identify areas that can be made safer. In my electorate a Neighbourhood Safety Audit Program was beneficial in providing certain facilities, such as an improvement in street lighting. We certainly encourage Neighbourhood Watch organisations to become involved with the program, and already some 105 community groups throughout the State have been involved. We should all encourage our Neighbourhood Watch organisations to become involved with the program, because it is very beneficial and it can make a tremendous contribution in making areas safer.

Mr DOLLIN: I have witnessed that in my own electorate, and it was not a lot of money for a good result. On page 11 of the PPS the Service Division is mentioned as providing electronic trading. How will this benefit Government agencies and Queensland businesses? Could you explain electronic trading further?

Mr MILLINER: This whole area of procurement has been addressed by organisations like the State Purchasing Council, which has had an outstanding success in bringing together the public and private sectors to overview the way in which the Government procures goods and services. The Queensland Government is a very large buyer of services. We spend \$3.6 billion each year on goods and services, buying everything from paper clips to office buildings, and it may be fair to say that we have not done very well over a period. It has been difficult for industry, and the business community in particular, to understand how we go about doing our business. Until recently, the only way that businesses knew that contracts were coming up was to go through newspapers looking for tenders. We made a giant leap forward by providing a procurement gazette which sets out what Government agencies and departments are looking at procuring.

The next step will be to put electronic trading in place. We are seeking expressions of interest from businesses to provide an efficient electronic access system for purchasing, which will assist Government agencies and their suppliers. With the technology that is available today, we can implement a system that will be of tremendous benefit to industry, agencies, and also the department as an organisation responsible for supplying many of the goods and services to Government. This information will allow us to purchase more efficiently, and we will not need to carry the stocks of goods that we sometimes have to carry simply because of

the system that we have in place. This particular electronic procurement will be of great benefit to everybody concerned. Business will be the major beneficiary of it because it will give them greater access to Government; departments will be the beneficiaries of it because it will give them greater access to us; and we will be the beneficiaries of it because of more efficient use of our resources.

Mr DOLLIN: On page 14 of the Portfolio Program Statements the Services Division is stated as having reviewed aspects of the State Purchasing Policy. Can you tell me what opportunities have been provided to local suppliers for the implementation of the State Purchasing Policy?

Mr MILLINER: The State Purchasing Policy was introduced in 1991 with five principals but along with it was implemented the State Purchasing Council. The State Purchasing Council has been meeting on a regular basis outside the metropolitan area. At every alternate meeting, the State Purchasing Council moves to rural and provincial Queensland. The object of that exercise is to start to liaise with the local business community to provide it with the opportunity to understand how we do business so that it, too, may get a bigger slice of that \$3.6 billion. We have found it very beneficial doing that because the response from the business sector in rural and provincial Queensland has been very, very positive. They have attended a number of events to find out how they can do business with us.

We are also having Meet the Buyers expos where we are bringing together all the purchasing officers from Government departments within the regions to a central location and putting on an expo where the local business community can come and talk direct to buyers. What we found is that there is a greater degree of communication taking place now between the buyers and the sellers, and that is of great benefit to the regional area. Already, we have some fairly good examples of where the provincial city business in particular has benefited as a result of having the State Purchasing Council going to their area and having a Meet the Buyers expo there.

The State Purchasing Policy has been very beneficial because it sets out the parameters within which we operate. The State Purchasing Council has been an outstanding success in promoting the opportunities that are available to the business community outside the metropolitan area. As well as acknowledging the communities outside the metropolitan area, it is important that we are not neglecting the metropolitan areas. We are having a Meet the Buyers expo later this year in the metropolitan area, which will be a very large event. It gives business an opportunity to meet buyers on a face-to-face basis so that they can start to understand how they can do business with us.

Mr LIVINGSTONE: Tenders from Government suppliers are weighted according to their quality assurance status. How many areas in your department have achieved quality assurance status?

Mr MILLINER: Quality assurance is something that we treat very seriously because in the 1990s we, as an organisation, have to start to embrace the commercial realities, and things like quality assurance and best practice are systems designed to ensure that we do things better and more efficiently. At the moment, all business units within AST are working on QA—

The CHAIRMAN: The time period allocated for questions by Government members has expired. I pass over now to members from the non-Government side.

Mr ROWELL: I seek leave to ask some questions.

The CHAIRMAN: Leave is granted, Mr Rowell.

Mr ROWELL: The pay television industry, I am sure you would agree, would be the communications growth industry through to the next century. I refer in particular to the failure of your Government to attract Foxtel to Queensland, and I ask: why did this bid fail?

Mr MILLINER: Again, that is not one of my responsibilities. That question would have been better directed to the Minister for Business, Industry and Regional Development.

Mr ROWELL: Were there no implications whatsoever as far as your area of responsibility was concerned with Foxtel's entry into Queensland?

Mr MILLINER: Foxtel's entry into Queensland was a commercial decision made by that particular organisation. It was not making that decision exclusively in the area of Government. Again, that was a commercial decision that it took. Questions regarding the responsibility of attracting industry to Queensland are better directed at other Government departments.

Mr ROWELL: Was there no concern whatsoever about our involvement with areas of communication such as Q-Tel and its role with Optus in this particular scenario?

Mr MILLINER: I am sorry, I do not understand your question.

Mr ROWELL: I understand that Q-Tel, which has a component of Telecom in it, was very concerned about the Queensland Government's attitude to Q-Tel. I understand that there was some concern about Foxtel coming to Queensland. That is not the case?

Mr MILLINER: Q-Tel does not have a component of Telecom in it. Pacific Star, which is the joint venture partner in SunNET, is a consortium of New Zealand Telecom and the Bell Telephone Company of America, as I understand it. I am not aware of any involvement of Telecom or Optus in Pacific Star.

Mr ROWELL: But we do actually bid. We certainly negotiate with both Optus and Telstra, you might say?

Mr MILLINER: Sure.

Mr ROWELL: Of course, Telstra has an interest as far as Foxtel is concerned.

Mr MILLINER: We negotiate with all the carriers in the telecommunications area. Obviously, we do everything we possibly can to attract business to the State, but we are not in the business of becoming involved in dutch auctions to attract them at any price. At the end of the day, when you do that, you start to disadvantage your own business community by, for example, buying a business. That has occurred where a major IT manufacturer was actually encouraged to go to another State under a very lucrative deal. It meant that you were giving them preferential treatment over your own local business. Although we want to attract business to Queensland, we are not going to do it at any price. We have been successful in doing that. Recently, AT & T established a cable manufacturing plant in Queensland but, again, the responsibility for attracting business to Queensland is not the direct responsibility of this department. It is SunNET, sorry, not Q-Tel. SunNet is the joint venture.

Mr ROWELL: In the future, do you think there will be any involvement between your department and Q-Tel in attracting business, such as we saw with Foxtel, into Queensland? It is all in the communications area. It is not so much only in the business area; it involves communications as well.

Mr MILLINER: Yes, it does. In a whole-of-Government approach—not just in the telecommunications industry or the IT industry—we are trying to attract business to Queensland. Obviously, as a Government, we are trying to attract as much industry to Queensland as possible because of the obvious benefits that that brings. But, as I said to you, we are not going to do that at any price. We are not getting involved in dutch auctions because, at the end of the day, you start to disadvantage your own business community.

The Information Industries Board is part of DBIRD, and its prime responsibility is to try to attract industry. Again, we try to do that as a whole-of-Government exercise. Some we are successful in; some we are not. To give you an example of the industries that we have been able to attract, in the telecommunications area we were able to attract to Queensland one of Telecom's largest divisions, its Customer Service Division, which has a significant number of employees. We were able to attract that division to Queensland, but we were not prepared to do that at any price.

Mr ROWELL: I refer to the PPS at pages 20 and 21, which refer to a reduction of \$735,000 in the estimate for current grants and subsidies in 1995-96 as a result of the cessation of the Remote Commercial Television Subsidy. Page 21 refers to negotiated savings totalling \$394,000 for the Remote Commercial Television Subsidy. Could you explain what that is all about?

Mr MILLINER: We were able to negotiate a better deal—not by reducing the service at all; we are maintaining the service. We negotiated a better rate. That is where the saving has come in. As I understand it, the Commonwealth Minister for Communications, Mr Lee, announced that remote commercial television services could continue to be

eligible for financial support from the Federal Government until 30 June 1998. The Remote Commercial Television Subsidy will still be available, but it is also coming from the Commonwealth Government, not only from us.

Mr ROWELL: Is that a subsidy from the Commonwealth Government in relation to services coming from satellite? Could you explain that in more detail?

Mr MILLINER: I will hand over to Mr Grierson, who has some expertise in this sector, because obviously you want some technical information.

Mr ROWELL: I am asking for some basic information about what it is all about.

Mr GRIERSON: The satellite service is beamed out of Townsville to remote areas west of the divide, basically. That is a Channel 10 service. The Commonwealth and the State jointly fund the discrepancy in the revenue generated by QTV Townsville and what it cost to set up the service. In 1994-95 figures, that was about \$730,000. We had hoped that with technology improvements and the new digital services, that subsidy would disappear. If you look at our PPS for 1995-96, you will notice that no subsidy figures have been anticipated. However, literally in the last week or two, discussions with the Commonwealth indicate that the technology will not be as advanced as we had hoped, so we will be approaching the Cabinet Budget Review Committee mid-year for some additional funds to continue this subsidy to make sure that people in remote areas get that television service.

Mr ROWELL: I also refer to page 53. CITEC has the ability to generate income for the Government. In the future, will the Government use CITEC as a milch cow to generate income by charging increased fees for information technology services?

Mr MILLINER: CITEC is a business unit. It is commercialised, and we obviously will be looking at charging for its services. As well as that, CITEC is involved in joint venture arrangements. It is involved in a joint venture arrangement with the medical profession with an organisation called Mediserve. At the moment, CITEC has no tied clients, so the clients are free to go where they want to go. It is a commercial organisation and, as such, will be judged on its performance, including its financial performance.

In bringing accountability into the whole system of Government, it is amazing what happens when you start to charge people for their services and how they rethink the way in which they use those services. Yes, CITEC will have fees and will be a money-making concern.

The CHAIRMAN: The time period allocated for questions by the non-Government members has expired. I now hand over to Mr Livingstone.

Mr LIVINGSTONE: On page 15 of the Portfolio Program Statements the planned performance for 1995-96 for the State Archives is stated as continuing to address backlog material and completing archives legislation. Could you elaborate on those issues?

Mr MILLINER: The Archives is one of those organisations that does not receive a lot of notoriety—except when it shreds documents. In 1993, a new building was constructed at Runcorn, which has resulted in quite a flow of material to that building. We now have a fairly substantial backlog in unprocessed records. To address that, we have provided funding of \$288,000 in 1994-95 for processing the backlog of that material. From 1993 to June 1994, that backlog involved approximately eight kilometres of records, plus the approximately 38,000 maps and plans that were transferred to the new building and which have added approximately three kilometres to the existing backlog. So that represents roughly 11 kilometres of unprocessed material. With the funding that has been provided and the introduction of streamlined processing methodology, a total of approximately six kilometres of reports were processed in 1994-95. With the additional funding in 1995-96 to continue the projects, it is estimated that a further four kilometres will be processed during the year.

Through the program that we have in place, we are addressing the backlog in the processing of records at the Archives. It is probably also fair to say that we are starting to look at the whole issue of maintenance of records. As you would probably appreciate, Government has a substantial amount of records that need to be archived or disposed of, and in some cases they are in less-than-suitable accommodation. We are looking very closely at the Archives and how it is going with processing the backlog. We believe that there is still a substantial amount of material within departments that will eventually have to find its way to the Archives to be processed. We are also looking into the capture and archiving of electronic material, because as we move down the information super-highway, more and more information is being captured and stored electronically, and we have to come to grips with how we are going to archive that material.

Mr SZCZERBANIK: Under the Property Services Program, ASD provides a security service for Government buildings, as mentioned on page 45 of the PPS. In particular, can you explain the progress of the School Security Program, which would have to be one of the great lights of your department?

Mr MILLINER: It is. It is one of the great successes of the department. One of the greatest costs to the community, not only in dollar terms but also in emotional terms, is vandalism of schools. I know that Mr Lingard, as a former schoolteacher, would probably be aware of the sorts of trauma that vandalism of schools and school fires cause. We decided to set up a properly coordinated school security system. The program commenced in January 1989 with 19 State schools in the Logan area. At the moment, almost 400 State schools are in the program.

To date, the program has been outstandingly successful, because the response to schools has resulted in apprehending something like 850-odd offenders since the program began. We have also been very fortunate in that we have been able to prevent approximately 47 arson attacks at schools. When you look at the dollar cost of an arson attack, you see that you are saving a lot of money by not having to rebuild school buildings that have been burnt down. You cannot put a figure on what you are saving those school communities in emotional terms as a result of losing all the school work and the teachers' losing all their preparation work.

We have now been approached by a number of private schools wishing to become involved in the system. At the moment, we have approximately 30 non-State schools involved in that program on a fee-for-service basis. In 1995-96, we are planning to include another 45 schools from the non-State school sector. So it really has been a great success. We are working very closely with the Education Department to identify schools that are at risk, so that we can start to look at providing a school security system in those schools. Ultimately, this will be very financially beneficial because it will stop not only arson attacks and vandalism but also the heartache of those schoolkids and school staff who are subject to those sorts of attacks. We are very pleased with the program. It is going very well. In the next week or so, I intend to go on patrol with the officers involved in that program.

The CHAIRMAN: The time allotted for the examination of the Budget Estimates of the Administrative Services Department has now expired. I thank the Minister and the departmental officers for their attendance.

Sitting suspended from 6.01 to 7.00 p.m.

DEPARTMENT OF TRANSPORT**In Attendance**

Hon. K. Hayward, Minister for Transport
 Mr Geoff Stevenson, Director-General
 Mr Gary Uhlmann, Deputy Director-General
 (Organisational Performance)
 Mr Neil Doyle, Acting Deputy Director-General
 (Policy)
 Mr Vince O'Rourke, Chief Executive,
 Queensland Rail
 Mr Bob Scheuber, Group General Manager
 (Finance and Information Services)
 Mr Bill Turner, Executive Director (Finance)
 Mr Greg Goebel, Executive Director, Passenger
 Transport
 Mr Ross Hunter, Manager, Projects and
 Contracts
 Mr Paul Blake, Director, Road Transport and
 Safety Division
 Mr John Gralton, Regional Director,
 Metropolitan-South Coast

The CHAIRMAN: The next item for consideration is the Department of Transport. The time allotted is three hours 50 minutes, and it will conclude at 11 p.m. For the information of the new witnesses, I point out that the time limit for questions is one minute, and for answers it is three minutes. A single chime will give a 15-second warning, and a double chime will sound at the expiration of these time limits. As set out in the sessional orders, the first 20 minutes of questions will be from non-Government members, the next 20 minutes from Government members, and so on in rotation. The end of these time periods will be indicated by three chimes. The sessional orders also require equal time to be afforded to Government and non-Government members. Therefore, when a time period has been allotted which is less than 40 minutes, that time will be shared equally. Responses to questions taken on notice are to be supplied to the Committee within 12 hours of the question being placed on notice or, at the latest, by 11 a.m. tomorrow, Thursday, 8 June.

I now declare the proposed expenditure for the Department of Transport to be open for examination. The question before the Committee is: that the proposed expenditure be agreed to. Minister, is it your wish to make a short introductory statement, or do you wish to proceed direct to questioning? If you do wish to make a statement, the Committee asks that you limit it to two minutes.

Mr HAYWARD: Yes, I will make a very brief opening statement. Queensland Rail will be corporatised on 1 July 1995 under the Government Owned Corporations Act 1993. Previously, Queensland Rail's finances were controlled through the Trust and Special Funds; but following corporatisation, the Trust Fund will be closed, and Queensland Rail will have a separate financial

structure in accordance with the Act. Therefore, there are no forward Estimates for the Trust Fund for 1995-96. In accordance with Government policy, Queensland Rail will be funded for community service obligation payments and social capital required to provide those services. Funding for these purposes is provided to the Department of Transport from the Consolidated Fund. So I would welcome any questions in respect of the community service obligations and the social capital funding of Queensland Rail. As a corporatised entity from 1 July 1995, Queensland Rail will be subject to a rigorous commercial reporting regime, including quarterly reports to shareholding Ministers.

I take the opportunity to make some comments on Queensland Transport as outlined in the Portfolio Program Statements. Members of the Committee will appreciate that 1995-96 is a year of significant transitional change in the Transport portfolio approach to program management and associated budget and financial management activities. The key impacts involved in that are a change in the department's program structure, which is effective from 1 July 1995 and the introduction of commercialisation arrangements within the department's budget operations, with particular emphasis on the introduction of the Queensland Transport Business Operations Trust Fund.

As can be seen throughout the Portfolio Program Statements, recasting of the 1994-95 program into the format of the 1995-96 program structure has necessitated some approximations in data presented for the various programs, and I am sure that all members would be aware of that. Significant variations now occur in the program outlays data, particularly in the resource management program, due to the introduction of the Queensland Transport Business Operations Trust Fund. Notes have been provided as comprehensively as possible on the range of variances shown in the Portfolio Program Statements, but the transitional arrangements should be borne in mind when analysing the data so that you get a true picture of it all. Detailed supporting data may not always be available. Also, very limited staffing data is available because of those transitional arrangements.

I simply wanted to take the opportunity to make those statements and to introduce the staff at the table who are here to assist me tonight. They are the Chief Executive Officer of Queensland Rail, Vince O'Rourke; the Group General Manager of the Finance and Information Service, Bob Scheuber; the Director-General, Geoff Stevenson; the Deputy Director-General, Gary Uhlmann; Finance Director, Bill Turner; and, I think, acting in the role of Deputy Director-General, Neil Doyle. So that is the gang that we have here.

The CHAIRMAN: The first period of questions will commence with non-Government members.

Mr J. N. GOSS: I seek leave to ask questions.

The CHAIRMAN: Leave is granted.

Mr J. N. GOSS: On page 28 of the Portfolio Program Statements, under "Pilot Bus Priority Initiatives", reference is made to the three-year package of \$18m—\$6m a year. Could you tell me where some of the trials are proposed? Will they be using the existing vehicle lanes? Will this affect the South East Freeway?

Mr HAYWARD: This initiative is a three-year, \$18m package. Those initiatives are aimed, in part, at developing the first stages—and I emphasise "the first stages"—of a network of bus priority initiatives on major arterial roads. What you are looking for is some detail about the specific issues concerning that. You said "\$6m." An amount of \$6m has been provided for each of the next three years as a special initiative. That is aimed at developing the first stages of a network of bus priority treatments on major arterial and critical local feeder road links. I think it should be understood that a small element of that package is a discrete one-year initiative, which is aimed at encouraging urban schedule bus operators to participate in a program to pilot the operation of wheelchair accessible, low-floor buses in different areas of the State. So it is not all confined to the south-east part of the State.

Mr J. N. GOSS: What I was looking for were some precise areas where this will be trialled—some of the roads where it will be trialed. For example, will a lane be taken off the South East Freeway or Sandgate Road or Gympie Road or Bowen Bridge Road?

Mr HAYWARD: I ask Greg Goebel to come forward. He may be able to present some arguments that can assist you with that.

Mr GOEBEL: Some of the proposals that have been contemplated are being examined as part of the integrated regional transport plan, but at this stage the ones that are planned are certainly the ones that will take in parts of the South East Freeway and the major corridors into the city.

Mr J. N. GOSS: So one lane of the South East Freeway could be allocated as a priority lane?

Mr GOEBEL: At this stage, I am not contemplating allocating one lane but looking at a range of options of identifying the corridors and then further studies to look at which is the best option—whether it is a lane or a separate part down the middle of the freeway, for which there is some space. At this time, the corridors are being identified—not the specific proposals.

Mr J. N. GOSS: Page 91 of the Capital Works Program refers to Citytrain security, which has had a budget increase from \$2m to \$8m. Can you advise what is the cost of installing TV cameras at a railway station? Will TV cameras be installed at railway stations with that \$8m and, if so, at what railway stations?

Mr HAYWARD: You want to know at which stations they will be installed, do you?

Mr J. N. GOSS: Yes. I want to know the cost of installing the cameras at a station, for example, Caboolture, and what stations you plan to install them at.

Mr O'ROURKE: A major security enhancement program is being implemented across Queensland Rail. The \$8m is part of a \$22m package for upgrading security, which includes the installation of cameras at stations and also on trains. We have started a program of installing cameras at stations. At the moment, they have been installed at two stations. Those stations will be included as part of a package of 15 stations that will have cameras in place by the end of July. The cost of installing cameras at individual stations depends on the number of cameras that we install at each station. Generally, we would install security cameras at either end of the station. The plan is that those cameras will transmit back to Mayne control, which will provide security surveillance of stations across the system. That group of 15 stations is the first target to be reached. My colleague might be able to tell us about the cost of installing cameras at one station.

Mr HUNTER: The cost for the first 15 stations is approximately \$2m. The cost varies at each station depending on the number of cameras and platforms. The stations involved include Ipswich, Booval, Bundamba, Kuraby, Goodna, Oxley, Sherwood, Graceville, Auchenflower, Banyo, Beenleigh, Kingston, Dutton Park and Park Road.

Mr J. N. GOSS: I refer again to the station upgrade on page 91 of Budget Paper No. 3.

Mr HAYWARD: I think it would be helpful for everyone if you referred to the relevant section of the Portfolio Program Statements.

Mr J. N. GOSS: It relates to the same page as my previous question.

Mr HAYWARD: Of the Portfolio Program Statements?

Mr J. N. GOSS: I do not have that page listed on the document. I refer to page 91 of Budget Paper No. 3, the same page as my previous question. Better access will be provided at a number of stations and there will be upgrades worth \$2m. Does that refer to better access for the disabled? Also, what stations will be upgraded to enable better access for the disabled?

Mr HAYWARD: Clearly, the program is about providing better access for people who are disabled so that they are able to catch trains more easily. As to the specific stations—I think we can provide some information about that.

Mr O'ROURKE: The upgrade of metropolitan and suburban stations was a major program introduced about two years ago. We spent about \$16.7m on upgrading those stations. Basically, what we are doing is improving lighting, remodelling a lot of the stations to make them much more security conscious and providing better access for passengers. We have introduced self-help phones at stations right across the system. The initial program covered about 76 stations. Fifty of those were major upgrades designed to provide better access to the stations. At a number of stations, we have also introduced lifts. A highly successful trial has been held at Toombul, and this has allowed easy access to that station.

This new \$2m program is an addition to the original program. At this stage, we have not nominated the stations that the \$2m will be spent on, but I believe that it would probably cover about another 10 stations throughout the metropolitan region. As to easy access to our stations—the three major stations that are to be constructed on the Gold Coast railway are designed to have easy passenger access. They will have lifts and ramps to enable easy access for people. It is part of an ongoing program of making our stations much more security conscious and accessible for handicapped people. We are providing better facilities for our customers.

Mr J. N. GOSS: Would the railway staff amenities room at Bowen Hills be included in the \$2m?

Mr O'ROURKE: I might ask one of my colleagues whether that is part of the \$2m. Certainly, as part of the forward program we will be improving the amenities at Bowen Hills. I am not sure whether that is included this year.

Mr HUNTER: The answer to that is: no, that is part of another program.

Mr J. N. GOSS: That is in another program?

Mr HUNTER: It is not part of the \$2m station upgrade.

Mr J. N. GOSS: Most of these questions are from Budget Paper No. 3. I refer to page 89 and the provision of bicycle lockers at railway stations. Where and how many additional lockers will be provided for that \$270,000?

Mr HAYWARD: You want to know how many bicycle lockers will be provided?

Mr J. N. GOSS: How many will \$270,000 provide and where will they be located? There seems to be a growing demand for bicycle lockers at a number of stations around the city.

The CHAIRMAN: Would you like to take that question on notice?

Mr HAYWARD: Can we defer that answer for a half an hour or so? I will provide an answer before the end of the evening.

The CHAIRMAN: Take it on notice if you wish.

Mr HAYWARD: You want to know how many bicycle lockers will be provided?

Mr J. N. GOSS: And where they will be provided.

The CHAIRMAN: Are you happy with that, Mr Goss?

Mr J. N. GOSS: Yes. I refer to page 91 of Budget Paper No. 3 and to the line that reads "Electric Multiple Units, Retrofit". That has an estimated cost of \$25m and there is an allocation of \$12m this year. Does that entail door sensors and additional safety, the redesign of the front cab and so on?

Mr O'ROURKE: That is a major initiative for us in upgrading the 88 x 3 car sets of suburban cars that were brought into operation by Queensland Rail in the late seventies and early eighties. As I am

sure you would be aware, we have just introduced 12 sets of three of new equipment. These have very modern safety devices on board. For example, passengers can talk to the crew if they are in some difficulty. Also, it has much more modern braking equipment. The 88 sets that will be going into our workshops will be fitted with more modern braking equipment, which will allow our trains to be managed much better in wet weather. Over time, we will also be introducing a device on these trains which will create a connection between the train's power and the closing of doors so that trains cannot move from stations unless the doors are closed. This is an operation that is in place in Western Australia. We will be introducing it here. There will also be modern systems to allow communication between the driver and a passenger who might be in some difficulty. We will be bringing the standard of our older cars, the 88 x 3 car sets, up to the same standards as the modern ones that we have just brought into service.

Mr J. N. GOSS: Is there a redesign of the front cab?

Mr O'ROURKE: Essentially, there is not a redesign of the cab. There will be some redesign in respect of fitting the new communication systems, but it is not a major overhaul in that sense. We will put in place a new safety device and a much better communication system for passengers. We will also provide TV surveillance so that, later on as our major \$22m security program gets under way, we will be able to adopt driver-only operation on the trains. The guards who are now on the trains will be retrained for a new role in respect of customer service and security on trains. To do that, we need to introduce modern systems of communication between the stations and our drivers. This is also a system that is in operation in other States.

Mr HEALY: Madam Chair, I seek leave to ask questions.

The CHAIRMAN: Leave is granted.

Mr HEALY: I refer to page 29 of the PPS under the Public Transport Program, which states that negotiations for the implementation of commercial performance-based contracts—and I am talking about passenger bus contracts here—throughout Queensland commenced on 22 December 1994 and that implementation will continue over the next 12 months. Can you provide details of which contracts have been finalised throughout the State, which contracts are still to be finalised and what is the estimated total cost to the department of the implementation program?

Mr HAYWARD: The contracts that have been successfully negotiated around the State are Cairns, Townsville, the Sunshine Coast, the Gold Coast, the Ipswich/Goodna area and Logan. You asked about the process of those contracts, did you not?

Mr HEALY: No, I asked which contracts are still to be finalised.

Mr HAYWARD: The contracts still to be finalised, which will come forward as part of further rounds, will be Mackay, Rockhampton, Maryborough, Hervey Bay, Park Ridge,

Toowoomba, the Caboolture/Deception Bay area, the Redcliffe/Sandgate area, Petrie, Arana Hills/Albany Creek, Inala/Carole Park and Cleveland/Redland Bay.

Mr HEALY: What is the estimated total cost to the department of the implementation program?

Mr HAYWARD: I will ask Greg Goebel to come forward to talk about that specific issue.

Mr GOEBEL: Greg Goebel, Executive Director, Passenger Transport. The cost of implementation relates only to the specific staff costs. There are no additional costs, because the contracts are commercial. The only payments relating to the contract holders in the first instance are the equivalent of the gross fare revenue subsidy paid to operators, which is estimated at about \$13m.

Mr HEALY: I refer to the department's decision to construct a second road crossing of the Toowoomba range. Will you outline how much funding has been allocated in this year's budget for land acquisition and/or resumptions? If we are referring to documentation—and you can correct me if I am wrong—I refer to the Capital Works document at page 90 under the heading "Other planning and administration".

Mr HAYWARD: Neil Doyle, who is the Acting Deputy Director-General, can answer that question.

Mr DOYLE: The second range crossing of Toowoomba, if it goes ahead, would be part of the National Highway. A proposition has been put to the Federal Minister to go ahead with further planning and land acquisition to preserve a corridor, and as you know some further detailed planning and design remains to be done this year. It basically requires the approval of the Federal Government for the funding, not the State Government. I can give you a broad estimate of what we would see as the cost of further design planning and land acquisition—and it is only that; it is a broad estimate. I think the total cost is of the order of about \$6m.

Mr HEALY: I specifically want to know if there is any money in this particular budget for land acquisition and/or resumptions.

Mr DOYLE: There is none separately identified.

Mr HEALY: Thank you. Given the changes to the department's program structure, under which program or subprogram does the department's Schoolsafe Program now come?

Mr HAYWARD: It comes under the Transport Operations Program.

Mr HEALY: Given that, may I ask what is the estimated amount budgeted for Schoolsafe in 1995-96?

Mr HAYWARD: I think the figure is \$1m, but I do not want to mislead you in any way. I will get the exact figure for you.

Mr HEALY: That is the estimated amount budgeted. I will also ask as to the estimated actual amount for the 1994-95 year.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. Non-Government members may wish to come back to that line of questioning when their next time period is allocated.

Mr BEATTIE: May I please ask some questions by leave of the Chairman?

The CHAIRMAN: Leave is granted. Mr Beattie, you may lead off with the questioning by Government members.

Mr BEATTIE: I refer you to page 27 of the PPS. I notice that a significant amount of money is allocated for Citytrain improvements, and part of the listing includes Citytrain security. Mr Goss raised the issue of cameras at stations. In a general sense, what measures has Queensland Rail taken or what measures is it taking to protect train commuters from acts of violence, both on trains and at stations? Have any studies been done of security systems in use on public transport interstate or overseas? If they have, what have we learned and what can be implemented here?

Mr HAYWARD: Queensland Rail has invested in excess of \$1m in 1994-95 to pro-actively protect commuters on trains and at stations. This is being achieved through the Queensland Police Rail Squad, which is composed of 23 officers dedicated to the rail system. There are additional police resources for specific tasks or locations and also private security personnel contracted to assist in improving the safety of rail passengers. Through the creation of its own Protective Services Unit in 1994-95, Queensland Rail is providing specialist expertise to ensure that its operations will provide the safest environment possible for train commuters. The creation during that year of a new role within Queensland Rail of ticket inspectors who are specifically trained and authorised to assist with the enforcement of passenger behaviour will also play an increasing role in the protection of commuters.

To support these initiatives, during 1994-95 Queensland Rail commenced a three-year investment program of more than \$20m to provide closed-circuit television cameras at stations specifically for commuter safety, as well as providing additional Help Phone facilities, better station lighting, more secure car parks and the use of new technology—because it is changing all the time; the technology is getting better and better—to enable staff to move throughout the train rather than be captive to a particular work location on a particular train. All of these measures are put in place to ensure that Queensland Rail provides the safest public transport environment for Brisbane commuters.

It is important to point out that, in general, all Australian systems experience a statistically low level of violence compared with the wider community—and that is a national phenomenon, thankfully—but due to the sort of attention that individual actions attract, there is a perception within the community that there is a greater risk involved in using public transport systems. Therefore, there is

an expectation that a higher level of personal safety should be offered to those using public transport.

Mr BEATTIE: I notice that in an earlier answer some reference was made to some of the stations where those 15 cameras are going to be. I am keen to see a few of them on the Ferny Grove line. I refer to page 27, the allocations in terms of rolling stock and a range of other initiatives. Does that include the new heritage train concept? Can you give some indication of what the heritage train concept is all about and where it currently is in terms of its construction and when it is likely to hit the tracks?

Mr HAYWARD: The serious obligation that Queensland Rail takes—and which I strongly support—to preserve its heritage is one of the things of which I have become increasingly aware since I became Minister for Transport. It is important that when Queensland Rail is undergoing significant changes to the way it operates across all its activities, it does not lose track of its history and achievements over the past 130 years. The specific project that you are talking about of course is the heritage train, which is being constructed at the Townsville workshops. The design work is being carried out in Ipswich by the rolling stock engineering department, and it is being done by engineers with structural, electrical, mechanical, hydraulic, pneumatic and airconditioning skills which will, where necessary, be supplemented by specialist consultants, because it is possible to lose track of a lot of the older technology that was involved in making those trains.

The design of the train is well advanced. All of the major work on the sleeping cars is complete, the structural design of the observation and dining cars is substantially complete and the construction work on the sleeping cars and general material sourcing has commenced. Modern technology has not been forgotten in this design. The use of current technology in using computer-aided drafting equipment provides the design team with access to the essential design elements which are incorporated in all of the carriages. The thrust of the design is for a train which incorporates heritage aspects of travel—the usual things like polished featured woodwork, leadlight, the traditional ceilings and the ambience of yesteryear. However, importantly, the design team needs to incorporate many of the modern safety standards and travelling comforts which are demanded by modern travellers. So the design team is about blending the old with the new to produce what I think is an exciting product. That concept also continues to maintain that important link with the past, given the changes that are occurring within Queensland Rail. The emphasis is still on safety and comfort.

Mr BEATTIE: I hope that when that train does hit the tracks honourable members of the House will have an opportunity to see it first-hand.

Mr HAYWARD: Again, I think that it emphasises the importance of the growth of tourism in Queensland, and it can play a significant role in that very important income-producing aspect of this State.

Mr BEATTIE: Let us move on to the issue of Queensland Rail and the Department of Transport developing contracts overseas, particularly in Asia, for the sale of Queensland Rail locomotives, rail services generally and Queensland Rail and DOT expertise in a number of areas. What is the latest in relation to those contracts?

Mr HAYWARD: The first thing to say about this is that sometimes I detect generally in the community a degree of cynicism about the work that Queensland Rail is doing overseas, particularly with some of the sales of old carriages. Some people sling off at that and say, "Why are they doing that? They could be using these carriages on this line"—or whatever. However, in simple terms, the Consulting Services Division of Queensland Rail was established in December 1989 to enter into consultancies and services or project management services in any country in respect of railways and any matter that was incidental to railways. The role of that division has been to coordinate and control all of QR's external consultancy and contracting activities.

It is interesting to note that, over those five years, this consulting service has worked on projects in about 40 countries and that revenue from consulting services of just slightly less than \$2m has been achieved for QR. There has also been revenue achieved, of course, over the very same period from the sale of locomotives to other countries. Basically, I think it is fair to say that the consultancy services undertook a pretty reactive process during that period. I have been informed that, in January 1994, a strategic marketing review of the consultancy service took place with a wide range of recommendations and that, on the basis of those recommendations, the Consultancy Service Business Plan was developed. That sets out QR's plans to develop the consultancy service into a substantial and long-term profitable business out of which QR expects to generate income of about \$10m by the year 2000. During last year, Queensland Transport was able to be involved in the process as well, and it provided some training and rehabilitation supervision in projects in Papua New Guinea and Hong Kong and earned revenue of about \$100,000 for those projects.

Mr BEATTIE: I have looked at the allocation of funding for a number of road projects. I wonder what is being done to support public transport in Brisbane to alleviate the push for larger roads through the inner suburbs, affecting the quality of life of my constituents who, from time to time, quite vocally express their views, as you would be aware.

Mr HAYWARD: They certainly have, and you have made their views very clear to me. I think the major issue that we should all recognise—and I am sure that Madam Chair recognises it—is that the issue emanates from outer suburban areas passing through to the inner city. Of course, many solutions are needed to address some of these issues. I believe that, principally, we need to establish a regional centres approach so that more employment and other attractions are located in suburban areas. I think that is important. Presently, people drag themselves into town every day and

home again at night. If there is some other event on, inevitably that occurs in town as well. As part of the management of increasing growth in south-east Queensland, that plan is being adopted through the regional framework within the Local Government Department.

The Brisbane City Council plays a significant role in many of these sectors. It is determining issues such as what it actually costs to park in the city, and that is a matter principally for the Brisbane City Council to address. I think the main thing and the important thing for us all to be involved in is to get better public transport to outer suburban areas, particularly those that are not served by rail. Of course, with the quadruplication of railway tunnels and the other works that are continuing, that capacity will be increased by about 80 per cent. That will give us an opportunity to solve rail link problems; but there is still the issue of road transport.

Earlier, Mr Goss raised the matter of new bus contracts that can service Redlands, Logan and Redcliffe. The Logan bus contract has already been signed. The Redlands and Redcliffe contracts will be signed later this year, and I think that that will have a significant impact on increasing the service and converting people away from a reliance on motor vehicles. Those initiatives will lead to an efficient and effective public transport system.

Mr BEATTIE: Chairman, I have a question on bikeways, but I want to share my time with my colleague Mr Ardill.

The CHAIRMAN: Leave is granted, Mr Ardill.

Mr ARDILL: Minister, are there any funds within the capital works budget to provide grade separation at a number of metropolitan intersections which are now approaching saturation, such as Kessels and Mains Roads at Macgregor, Gympie and Beams Roads at Carseldine, Browns Plains and Beaudesert Roads at Browns Plains, and Coronation Drive and Boomerang Street at Milton? What funding will be available for the urgent third uphill lanes now required on sections of the Mount Lindesay Highway?

Mr HAYWARD: There is some good news and some not so good news in answer to that question. I know of your personal interest in Kessels and Mains Roads, of course. That intersection at Macgregor is part of the Federally funded National Highway network and construction of an interchange is not planned within the next four years. It is important—and I am looking at Neil Doyle when I say this—that negotiations are continuing with the Federal Government regarding that. The Queensland Government recommendation is to relocate this section of the National Highway from the urban area to an alternative corridor on the Logan Motorway and the Gateway Arterial Road. You would know as well as I do, probably more so, how that would alleviate the heavy traffic problems experienced in this area at present.

The Beaudesert and Browns Plains Roads interchange is planned as part of the highway improvements due to commence in 1997-98, at an

estimated cost of \$19.8m. The work includes extension of four lanes southwards towards Jimboomba. I am sure Mr Lingard would agree that that cannot come fast enough. The section from Middle Road to the shire boundary is estimated to cost \$15.7m and is also due to commence in 1997-98. Funds are being used to four-lane sections of this highway in lieu of constructing short sections of climbing lanes.

Coronation Drive is not under the control of Queensland Transport. We are contributing \$4.5m, which started last financial year and is continuing this financial year, to assist the Brisbane City Council to alleviate traffic congestion in this area through the construction of an interchange.

Construction on Gympie and Beams Roads of an interchange is not planned within the next five years. Available funds will be used to improve other sections of Gympie Road, including the intersection with Rode Road, the widening from Strathpine Road to Roghan Road and Strathpine Road to the Gateway Arterial Road.

Mr ARDILL: Having inspected trial sections of the Bruce Highway and the Landsborough Highway where a trial speed limit of 110 km/h has not created any problems, and having investigated research projects which have identified clear evidence of improved safety resulting from a lower speed limit in urban areas, I am anxious to see the Department of Transport's speed limits review completed. Is there provision within the budget for ongoing funding to complete the investigation into appropriate speed limits throughout the State and to eliminate longstanding anomalies which result in speeds which are too low on major roads and too high in residential streets and congested areas?

Mr HAYWARD: I am aware of your strong representations on this particular issue, and I am keen to see the review completed as well. We are currently developing a speed management strategy which will address a range of issues relevant to reducing speed-related crashes in Queensland. A key element of this strategy is improving the consistency and credibility of speed limits in order to encourage voluntary compliance wherever possible. The more you think about it, the more you really have to have some sort of voluntary compliance. To do this it is necessary to have a hierarchy of speed limits appropriate for a range of roads and traffic situations.

The CHAIRMAN: Thank you Minister. The time for questions by the Government members has expired.

Mr HEALY: I seek leave to ask questions.

The CHAIRMAN: Leave granted.

Mr HEALY: I refer to the department's Schoolsafe Program. What is the estimated amount budgeted for 1995-96 for this program and what is the estimated actual amount for the 1994-95 year?

Mr HAYWARD: Queensland Transport contributes \$1m per annum, and local government has to match that on a dollar-for-dollar basis. In reality, most local authorities put in a little more because they are keener to see the project

operating. The total value of projects in 1994-95 was \$2,316,022. I think you asked about projects for 1995-96?

Mr HEALY: Yes, the estimated amount.

Mr HAYWARD: We put in \$1m and then negotiate with local governments on a dollar-for-dollar basis. Therefore, it will end up being about \$2m, or maybe a little more.

Mr LINGARD: Would you agree that if a local government gave \$50,000 to a subsidy, the Transport Department should match that?

Mr HAYWARD: You would have to give me a specific example. Could you explain to me exactly what you are talking about?

Mr LINGARD: Do you think it would be unfair if a local government agreed to subsidise 50 per cent, and the Transport Department did not agree to match it?

Mr HAYWARD: You have to sum it up on the basis of some form of agreed priorities, otherwise my expectation would be that the local authorities with more money for those specific purposes would tend to get all of the resources. We all have a responsibility to ensure that money is fairly and evenly distributed around the State. As you have hinted, projects are prioritised based on input from local government and Queensland Transport district officers. We need to ensure that all projects give greater emphasis to safety improvements, and I think we would all agree on that. We need to be able to quantify those safety benefits. Are you thinking of a specific example?

Mr LINGARD: Clearly I was thinking of a specific example. It might be unfair if a local government did agree to put up the money and the Transport Department could not match it.

Mr HAYWARD: We have to ensure we have some sort of prioritisation mechanism throughout the whole of the State.

Mr HEALY: I refer you to page 28 of the PPS. It states that \$18m is to be spent on a three-year package of initiatives aimed at developing the first stages of a network of bus priority treatments on major arterial and critical local feeder road links. It also states that a one-year initiative is aimed at encouraging urban schedule bus operators to participate in a program to pilot the operation of wheelchair accessible low floor buses. What is the estimated cost of this initiative? How many buses will be involved in the trial and in what areas of the State? Will it require the purchase of new, specially designed buses or the modification of existing buses? Who will pay for either the purchase or modification of these buses, the Government or private operators?

Mr HAYWARD: I will try to answer the question in as much detail as possible. We can speak to one of the people who is more familiar with some of the specific detail. People who take up offers of financial assistance for wheelchair accessible bus purchases will be made to operate the bus in all urban bus service contract areas. You will then get an offer to undertake the opportunity for financial assistance for wheelchair accessibility.

Assistance to operators will be limited—I think that is fair—to a maximum of two bus purchases in a given contract area. We then get an opportunity to access them around the State. The new policy initiative is part of the Public Passenger Transport Subprogram, which you know, and that includes provision for expenditure of \$2m in the form of financial assistance to urban bus operators who are willing to purchase up to two wheelchair accessible buses for use in that 12-month pilot program. The urban bus operators will be able to receive financial assistance of up to 25 per cent of the cost of each purchase of a low-floor ramped bus.

This sort of background comes forward as part of a national strategy on accessible transport which was developed by the accessible assistance task force and submitted for approval to the Transport Commission Ministers in April 1995. That is where the initiative sprang from. Following acceptance of the strategy by those Ministers in April 1995, it is anticipated that Queensland Transport will again represent the Government on a working group. That working group is important because it is charged with the responsibility of developing public transport standards for the 1992 Commonwealth Disability Discrimination Act.

Mr HEALY: At page 42 of the PPS under "1995-96 Planned Performance, Road Use Management Subprogram", it states that national road rules are expected to be adopted progressively during 1995-96. I ask: what will be the estimated cost to Queensland of this implementation?

Mr HAYWARD: Paul Blake, one of the directors in this area, can probably give some specific details in answer to your question about the cost.

Mr BLAKE: The national road laws will no doubt have some costs for Queensland at the end of the day, but we do not have details of what those are at the moment. We are still negotiating at the national level about what road rules will be accepted. For example, the original proposal that came out of the committee that developed the national draft in relation to the crossing of double lines was quite different from the current rules that we have in Queensland. If that draft had gone through, then it is fair to say that that would have required some significant changes in Queensland in terms of line marking.

We have been negotiating on the national committee and trying to get the best outcome for Queensland. These issues are changing all the time. On that particular one, the latest draft which came out of the committee meeting last week has now gone along with our current laws in Queensland. That particular one, which was of great concern to us, has now been resolved. I cannot give you accurate figures, but it will largely depend on the final package that is negotiated when all the States have had an opportunity to put their views forward.

Mr HEALY: Also on page 42 of the PPS, under the same subprogram, mention is made of finalising the reviews of the towing and vehicle repair industries. What is the estimated final cost of

the reviews? How and where have those reviews been carried out, and what has been the extent of the reviews so far?

Mr HAYWARD: Paul Blake has probably got the answer that you need for this.

Mr BLAKE: We are still working on a final set of recommendations arising out of the reviews of both of those industries. It is fair to say that there has been very extensive consultation in the reviews. In both cases we developed and published issues papers that outlined the concerns and issues that the department had developed and identified over the years. Both of these issues papers were put out for public consultation and we have had considerable follow-up consultation with the industries involved—both the motor vehicle repair industry and the tow truck industry. It is fair to say that the preferred approach which the department outlined in its issues papers was not fully supported by all sectors of the industry. The negotiations that we are going through now are in terms of identifying what their concerns are and how they might be resolved so that we can get a final package to put before the Government.

Mr HEALY: Given the fact that the CJC has conducted an inquiry into the towing industry in Queensland, will the recommendations of that CJC report have any impact on these reviews that you are undertaking in the towing industry in Queensland?

Mr BLAKE: During the course of both of our consultations and the CJC inquiry, we had a very close liaison with the CJC. Largely, the CJC was happy with the preferred approach that the department had put up in its issues papers.

Mr HEALY: Are your reviews intended to take into account the towing industry in regional and rural areas as well as the inner-city and metropolitan areas of Brisbane?

Mr BLAKE: The review was primarily in relation to tow truck operations in relation to the Tow Truck Act. That applied to those declared tow truck areas which basically take in the metropolitan areas. However, during the reviews we were made aware of growing areas of concern in other provincial cities, and it was intended that they would be addressed in the final package of recommendations that goes to the Government.

Mr HEALY: On page 41 of the PPS, under "Program Performance Assessment, 1994-95 Performance, Private Road Use", it states that the Government has given a financial commitment to the development of a national exchange of vehicle and driver information system to enhance consumer protection from stolen vehicles and licence fraud. I ask: what is the extent of that financial commitment? When is the scheme likely to be fully developed, and what role will the Queensland Department of Transport play in the operation of the scheme?

Mr STEVENSON: I am Geoff Stevenson, Director-General, Queensland Transport. We have given a financial commitment. It is expected that the overall costs of this scheme to Queensland will be in the order of \$600,000. It varies across the

States. Some are a lot more, but we are about \$600,000. I guess the reason we are cheaper than some of the others—some of them are about \$3m—is that our TRAILS system is quite advanced and we are teeing in with that.

Mr HEALY: Is it likely that once the program is up and running that people such as used car dealers will be able to make contact with this scheme to find out whether vehicles are stolen—something that they are not able to do at the moment other than through police records?

Mr STEVENSON: Yes, that is correct. They will be able to check if cars are stolen. The system will provide any person with the capacity to check on a vehicle.

Mr HEALY: How long will it be before the scheme is likely to be fully developed?

Mr STEVENSON: I would estimate that it will probably be a couple of years. There is a huge amount of work to be done—probably longer.

Mr HEALY: Will the Queensland Department of Transport play a key role or will it simply be a part of a national scheme?

Mr STEVENSON: It is part of a national scheme, but we are playing a key role. It will be a uniform scheme across the nation.

Mr JOHNSON: In the past, I have notified the departmental heads of the reference that I will be referring to in questions. It does assist and, if that is okay with you, I will continue that procedure.

Mr HAYWARD: It makes it easier for me to find them.

Mr JOHNSON: In relation to roads, I bring your attention to 1993-94 Budget Paper No. 6, page 35—which is virtually irrelevant to this question—and the figure \$907.7m. I draw your attention also to the 1994-95 Budget Paper, page 85, and the figure for transport infrastructure, \$906.6m. I am quoting those figures for your reference. In the current Budget Paper No. 3, on page 91, I note the figure for infrastructure development is \$899.7m, which is a drop in real terms for road funding and infrastructure development. Page 6 of the Portfolio Program Statements, under the heading Program Outlays, refers to an increase of 14.3 per cent over estimated actual expenditure in 1994-95. You mention also increases in rail and increases in State road funding of \$52m. I draw your attention to those three figures and those three years. Can you explain how you calculate the increase when, in actual terms, the figure is lower. In 1993-94, \$10m was included for the Black Spot Program.

Mr HAYWARD: I do not know how many questions you have asked.

Mr JOHNSON: There is not really any increase in the infrastructure development and you are saying that there is. In the Portfolio Program Statements on page 6 you are saying that there is a 14.3 per cent increase over estimated actual expenditure in 1994-95.

Mr HAYWARD: I will ask Neil to answer the question. I think port authorities bumped up those figures as well.

Mr JOHNSON: I am making reference to the three consecutive years. There is virtually no change. In 1993-94, there is a \$10m component for the Black Spot Program, so the figure is actually less in 1995-96 than it was in the other years.

Mr DOYLE: May I give a qualified answer on the basis that, if I can come back with further information tonight, I will. I understand that the difference is at least partly in the way the port authorities are handled from one year to the other. This year, you have a separate amount for port authorities compared with the expenditures for the department and my understanding is that in other years the port authority was made part of the total for the department. If that is not the dominant reason, I will come back and confirm later, but would it be useful if I at least give some figures that might indicate what is happening within the roads component of the infrastructure? It is reasonably significant.

The overall difference between the roads component this year and last year is a \$36m increase. It goes from \$770m to \$806m. They are round figures—I have not added the last pieces to it. That probably understates what is happening, because last year the department's expenditure included an amount of \$18.9m which was borrowing for toll roads and that is not in this year.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. Mr Len Ardill has one more question.

Mr ARDILL: I do not think the Minister had completed his answer to my second question. Minister, you were saying that there is a some funding included in this year's budget for the speed limit investigation that is being carried out throughout the State.

Mr HAYWARD: Yes. The department will be funding that work in relation to the declared road system.

Mr ARDILL: Is there any provision for funding in this year's budget to establish an adequate coordinated public transport service between Helensvale and the Gold Coast and ultimately between Robina and the Gold Coast. If not, how will the need for that service on the Gold Coast be provided for in order to ensure the viability of the Helensvale rail service?

Mr HAYWARD: On 30 May, the Government announced the awarding of the Gold Coast commercial service contract to Surfside Bus Lines Pty Ltd. That followed the calling of tenders in which a number of minimum service level requirements were specified as well as other service enhancements. The provider is required to provide a service to major attractions in a particular region, such as the hospital, railway stations—which relates to the question that you have asked—and major shopping centres to ensure that they are well serviced by public transport.

The offer by Surfside includes the provision of cross-regional services to areas which were previously not serviced by the operator and will provide improved access to such places as Sanctuary Cove, Helensvale, Movie World and the

Griffith University Gold Coast campus. In particular, the offer also provides for a bus route network specifically to coordinate with new train services to the Helensvale, Nerang when it is open and Robina stations. It is important to recognise just what sort of contract this is.

The present number of bus services provided on the Gold Coast on a weekly basis is 4,070. The contract minimum service level was to increase it to 5,552, but the offer that was accepted by Surfside is for 8,750 bus services per week. I think that is big news in that area. That is an increase of 115 per cent.

You asked about whether there was provision in the budget for the establishment of a coordinated service between Helensvale and the Gold Coast. No, there is not, because it is a commercial arrangement. The commercial contract holder, that is Surfside itself, provides the service, generates the passengers, creates the enthusiasm and provides that service on a commercial basis.

Mr ARDILL: Thank you. That adequately answers the question. Surfside is a good operator and there is a great discrepancy between that and some of the other service providers in the area.

Mr HAYWARD: There is one of the local members there.

The CHAIRMAN: I pass the questioning over to Mr Szczerbanik.

Mr SZCZERBANIK: I refer to the Roads Infrastructure Subprogram of the Transport Infrastructure Program, with specific reference to the allocation of capital works funding to begin the construction of the south coast motorway. My first question is: can the Minister inform the Committee of the background of the south coast motorway decision, in particular the planning undertaken to arrive at that decision announced in May? What was the step-by-step process that the department went through?

Mr HAYWARD: The issue to do with—

Mr SZCZERBANIK: The actual step-by-step process that the department went through to come to that decision. I have lived with it for the last six years, so I want it on the public record.

Mr HAYWARD: The basic chronology of it is that in August 1990, State Cabinet approved planning to identify and preserve a new transportation corridor between Brisbane and the Gold Coast. That was east of the Pacific Highway passing through the Redland and Albert Shires and linking the Gateway Arterial to the Pacific Highway at Smith Street. Of course, as you have identified—and as you have said, you have lived with it—immediate opposition arose from various groups in the area, including some Albert and Redland councillors. In October 1990, VETO was established and in December 1990, consultants Rankin and Hill and a planning workshop were appointed to complete a 12-month study. In January 1991, the consultants Sinclair Knight recommended a corridor adjacent to the Gold Coast rail alignment as the preferred location of the corridor south of the Coomera River. In April 1991,

State Cabinet adopted the preferred route south of the Coomera River for planning purposes. In January 1992, Rankin and Hill and the planning workshop completed the eastern corridor planning study. It recommended preservation of a corridor between the Gateway Arterial and Smith Street, the upgrading of the Pacific Highway to six lanes and the continuation of the construction of the Gold Coast railway.

In February 1992, State Cabinet accepted the recommendations to upgrade the Pacific Highway to six lanes and decided that a partial corridor south of the Logan River would be preferred and cited issues to do with environmental impacts north of the river. Cabinet approved a regional master plan study for bushland areas between the Gateway Arterial and the Beenleigh-Redland Bay Road in conjunction with the Brisbane City and Logan City Councils and the Redland Shire Council. In January 1993, the announcement was made to fast track the construction of the corridor because of increasing congestion on the Pacific Highway. There was the announcement of the commencement of the six-laning works at Springwood. The Albert Shire Council, the Gold Coast City Council and the RACQ called for the corridor construction to be brought forward. I think that it is significant that, at that time when there was the call for it to be brought forward, some Opposition members—the member for Southport and the member for Nerang—called for the road to be built immediately.

Mr SZCZERBANIK: We are up to January 1993. I would like you to continue and place on record the chronological order of the decision. Do you want to continue?

Mr HAYWARD: In August 1993, the State Budget included a \$21.7m allocation for key infrastructure works and property acquisitions on the southern section of the route. In September 1993, aerial and ground surveys began of the route of the Beenleigh-Redland Bay Road as part of the preliminary planning and design work.

In November 1993, \$2.89m was allocated to the southern section of the corridor in an area where it and the Gold Coast railway line shared common infrastructure. Again, the Gold Coast City Council in May and April of 1994 and the RACQ called for urgent construction of the corridor. In July 1994, the then Minister announced a two-route option of the corridor north of the Logan River: route B, skirting core koala habitats but close to residential areas in Logan City, and route A, which impacted on koala habitat but not as seriously as the rejected route C, which went through the Redlands area. Of course, there were a number of VETO protests that occurred during that period. In August 1994, State Cabinet approved modified route B. The route B option included a 2.8 kilometre tunnel under part of the Daisy Hill State Forest, which would cost an extra \$35m.

Between October 1994 and March 1995, consultants completed environmental impact studies of the proposed route. That included geotechnical investigations of the proposed tunnel site and seismic traverse to determine rock and soil conditions. They were carried out in December. In

May 1995, State Cabinet approved the final route for the south coast motorway.

Mr SZCZERBANIK: Thank you. I just wanted that on the record so that we know the chronological order of what occurred—the time frame of the decision process. That is why I wanted to ask the supplementary question. So that is on the record. I have a further question—and you have already touched a little bit on it. Minister, you would be aware of the longstanding opposition to the proposed motorway in all forms during the last five years from the group VETO. I appreciate that much of the debate about the most appropriate route and the form of the motorway occurred before the Minister's appointment to his current portfolio. I ask: is he aware of the details of the alternative proposal suggested by VETO and has there been any independent assessment of that particular proposal?

Mr HAYWARD: Basically, yes, I am aware. When I first became Minister, VETO came to see me and brought what it said was a proposal and asked the department to examine that proposal. Basically, what their proposal said was that they wanted to see the Pacific Highway increased to the equivalent of 16 lanes. That meant a corridor with a width exceeding 150 metres in some places. Of course, as everybody knows, that would cause massive disruption, entail a huge cost not just in financial terms but in the large numbers of resumptions that it would necessitate along the existing Pacific Highway corridor, and that would affect hundreds of businesses and residential properties up and down the existing road alignment. They would all be in danger of demolition. I suggested also that, given that the department had come back with advice, there be a separate investigation. That was undertaken by consultants, Kinhill Cameron McNamara in case the organisation, VETO, complained that somehow they did not get the right advice. What it did was confirm the Government's conclusion that simply upgrading the Pacific Highway to the stage that—as is happening now—it is six lanes is not a solution for the rapidly developing area of south-east Queensland. Let me just explain how the 16 lanes works. What VETO says is that they want 12 lanes. What they told me when they came to see me was that it was 16 lanes, because what they proposed and what they ignored was the service lanes. It is okay to have the 12 lanes, but you have to actually have service lanes on any main road to be able to ensure—and I can see Mr Johnson nodding—that you can get the traffic off and it can travel to wherever it needs to go.

As I said, its proposal would have meant a corridor exceeding 150 metres in width. That proposal would have created tremendous difficulties. It would have a huge impact on the areas that abut the road corridor because of the increased noise and intrusion resulting from greater daily vehicle flows on the Pacific Highway. The current problems would be doubled or tripled. That proposal would not provide the solution. There would still be stoppages and many of the problems that occur now. There would also be an horrendous

additional cost involved in having to virtually reconstruct the whole Pacific Highway. All of the existing interchanges would have to be removed and replaced. We are talking about a huge disruption over five or six years.

Mr SZCZERBANIK: I want all of this on the public record. If the Minister is running short of time, I will ask him supplementary questions about this issue later on. The VETO submission suggested a toll road down the middle of the Pacific Highway.

Mr HAYWARD: Basically, its proposal called for a 12-lane highway which incorporated a four-lane tollway down the middle. How cars got off and onto it would present another great engineering challenge for the future. This room is full of engineers. Although I am sure that they would be able to meet that challenge, in the end it is about cost and road safety. Logically, cars simply could not pull out of a toll lane into a free lane and then cut across to wherever they want to go. It strikes me as being nonsensical, if you have three lanes on one side, three lanes on the other side and toll lanes down the middle, why anybody would choose to travel on the toll lanes, particularly when they cannot exit from them. As I have already stated on the record, the VETO proposal is quite simply a highway from hell. It is not a solution.

Importantly, we have to recognise that for the first time VETO came forward and said that we needed a road-based solution. Prior to that, it never acknowledged the need for a road-based solution. It came forward with an alternative that any rational person would reject. Nevertheless, the argument that was established was: should the south coast motorway be the alternative or should the VETO proposal be the alternative. Any rational, thinking person, given the projected population growth—and that is acknowledged by VETO or it would not have come forward with its 16-lane proposal—would have decided that, in spite of the regrettable disruption that it would cause, the Government's solution is the only solution to dealing with the traffic issues and the growth that is occurring in the south coast area.

Mr SZCZERBANIK: I live there and I know what the growth is like. Again, I refer to the road infrastructure program, in particular to the south coast motorway. Is the Minister aware of one of the many comments made by the Leader of the Opposition at the beginning of May immediately after Cabinet announced the final motorway route in relation to the Opposition's position regarding the future contract for the motorway's construction?

Mr HAYWARD: Yes, I am. I have been disappointed by that comment because of the principle that it introduces into what could be called the normal running of government. The Leader of the Opposition, after the final route was announced, made an announcement to the effect that the Opposition, if elected, would not honour any contracts signed for the construction of the motorway. Probably even his own MPs may have thought that he had had a momentary lapse of sanity. He is playing a pretty aggressive game to say that any contracts entered into by a Government will be reneged on. I thought the

comment had been forgotten. However, in the past week that threat was repeated. A comment such as that in reference to dealing with any decisions that are made, particularly in relation to the south coast motorway, which is the obvious example, is clearly a form of economic sabotage.

Whenever I have raised this issue with people in the media they have said, "It is just politics." But it is more than that. When people enter into a contract in good faith, for another party to say, "We will renege on those contracts if we win Government", is simply not the way for something that passes itself off as an alternative Government to behave. That is a pretty cynical way to express itself in front of the business community of Queensland and Australia.

The CHAIRMAN: The time period allocated for questions by Government members has expired. Mr Johnson?

Mr JOHNSON: I refer to page 84 of Budget Paper No. 4 and the 1994-95 capital works program. An amount of \$8.8m is mentioned as the capital amount for the Douglas Ponds project and the Landsborough Highway. An amount of \$1.8m was allocated for the 1994-95 financial year. According to page 89 of Budget Paper No. 3, which addresses the capital works program for 1995-96, a figure of \$3.18m is the estimated expenditure to 30 June 1995. I ask the Minister to explain the over-budget expenditure based on the 1994-95 figure compared with the estimate for expenditure to 30 June 1995?

Mr DOYLE: Before the end of the hearing, I will provide you with some more detail on the timing and progress of the Douglas Ponds project. But you will no doubt be aware that, when we are doing the national highway program, some jobs run earlier. As you know, some wind up costing a little more than we expected and some cost a lot less. As I recall, the total cost of the project was likely to be about \$9m. It could be that we are doing the work a little earlier. Part of the reason may well be that the Jessamine Creek project, which is roughly in the same area, came in earlier and at a lot lower cost than we originally expected. I will confirm that for you, but it is likely that we are doing the job earlier and spending the cash a bit earlier than otherwise expected.

Mr JOHNSON: I refer the Minister to pages 20 and 21 of the Portfolio Program Statements and to the Roads Subprogram. There has been a shift from 32 per cent in 1993-94 to 44 per cent in 1994-95 in construction, rehabilitation and special maintenance work. It is mentioned that this percentage will jump to 70 per cent in 1995-96. With respect to this open competition policy of the Government, do you not believe that the local authorities who tender for these works will not be severely disadvantaged by the open competition challenge from the private sector and contractors who in some instances will tender a contract price knowing full well that there will be no profit at the end of the line? Do you believe this to be fair on local authorities who tender professionally and responsibly for these programs? Bear in mind that they are the prime-movers in respect of

employment in rural communities and country towns.

Mr HAYWARD: You are referring to a shift of 44 per cent of construction being subject to open competition. Basically, the Transport Infrastructure Act of 1994 requires works to be delivered in an environment which encourages open competition.

Mr JOHNSON: We do not have a problem with open competition.

Mr HAYWARD: That means that local governments will generally have to compete in the open market for Queensland Transport capital works from December 1995. This is currently being phased in. Interim sole-invitee status has been given to most local governments during the transition. Importantly, local governments in remote areas, which would probably feel the pinch of competition more than anyone else, may retain that sole-invitee status indefinitely beyond December 1995, subject to—and this is important—satisfactory performance and the delivery of productivity improvements. Provided that they can demonstrate that they are fair dinkum about satisfactory performance and productivity improvements, local governments in remote areas can retain that sole invitee status.

Mr JOHNSON: I believe that what we are about here is eliminating the cowboy element currently tendering for these types of contracts. As you rightly said, it is open and fair competition to have local authorities and private contractors negotiating for these contracts. The point I make is that some companies tender a low rate as against that quoted by the department and local authorities, but they cannot pay their bills at the end of the contract. In many cases, the local communities are the losers. That is what I am concerned about.

Mr HAYWARD: Neil may like to comment on that.

Mr DOYLE: A number of the protections that we have put in place have been put there deliberately to address the question of protecting local authorities. Despite the fact that in some other jurisdictions all the ordinary maintenance has been put to tender, in Queensland it has not. It is moving to a basis where, instead of giving them a year-by-year contract, we are entering into rolling five-year contracts with local authorities to give them absolute certainty of maintenance. As the Minister has said, we have built in protections for most of the small and isolated communities where they will not be involved in the tendering game.

Probably more importantly, the contractors have to be pre-qualified before they can bid for work for us. They have to be quality assured; they have to be financially sound; they have to be reputable organisations. Against that are the obvious factors that what we are doing is bulking up the work so that there will not be the number of small jobs around which some of the councils may have done. So the nature of the work that they might have depended on in some cases will not be there. We will not be doing a lot of quarter of a million dollar jobs or half a million dollar jobs. So the nature of the industry is changing.

What we have been doing with the Local Government Association—and it has been an extraordinary help to us in working our way through it—is setting up joint venturing arrangements for councils so that councils can have a much better chance of competing with other contractors which might come to town.

Mr HAYWARD: The idea of that is that two councils can get together. We are proposing those sorts of arrangements so that they can share their gear rather than having to duplicate machinery.

Mr JOHNSON: We totally support that concept. It is common sense. I refer to the PPS at page 21 and the Enterprise Development Agreement. Will the Minister advise the number of workers in road construction business units covered by this agreement? Would it be possible to have a copy of that agreement, please? Will the Minister please advise as to the work practices or the savings or the trade-offs which comprise the productivity improvements under that agreement?

Mr HAYWARD: As to the basis of the agreement—Cabinet approved a negotiating framework which signalled the go-ahead for Queensland Transport and the relevant unions to enter into negotiations to finalise an Enterprise Development Agreement for the Queensland Transport Roads Infrastructure Subprogram. That occurred on 3 May 1994. It was ratified by the Queensland Industrial Relations Commission on 23 February 1995. This followed an extensive consultation process, which always occurs when these things go into place. You asked about the pay. The base rate adjustment details basically are that pay point 1 would be on 1 January 1995, and that would comprise \$44 per fortnight. Pay point 2 on 1 July 1995 is 2.4 per cent. Pay point 3, which is on 1 July 1996, is 3.5 per cent. You asked about the numbers affected. The Enterprise Development Agreement affects 3,000 blue and white-collar employees who work in roads management. That involves the planning, the delivery, the design and construction, the maintenance and technical services at the district level, together with employees employed in metropolitan traffic.

The Enterprise Development Agreement is underpinned by the fundamental changes in the environment in which the road construction business units now operate. These changes involve greater accountability, a strategic focus and the delivery of services in a competitive market. We talked about that before, and that is what Queensland Transport is about as well. What that will mean in the long run and what the Enterprise Development Agreement is about is more flexible work practices in the future and a workplace reform process. We want to harness the capabilities of the entire work force. Lots of people have been working out there for a long time. They have lots of good ideas about things, and we need to harness that. The agreement is about a commitment to developing accredited skills and training. We need to measure the productivity gains that we achieve, and that will occur through the formalised development agreement. Employees receive increased pay, maintain award protection, greater

job security, greater training opportunities and—hope and I am sure—greater job satisfaction.

Mr JOHNSON: What amount of funding has been set aside for the Bikeways Program for the 1995-96 financial year?

Mr HAYWARD: May I just ask where you are referring to?

Mr JOHNSON: I know that you will find some details in the PPS, but I want a more precise and accurate answer. I refer you to Budget Paper No. 3, Capital Works, page 80.

Mr HAYWARD: You want to know how much is allocated to that particular—

Mr JOHNSON: To the Bikeway Program.

Mr HAYWARD: The total is \$6m, but over three years it will be \$18m in total. It is a three-year program. This year, \$6m is allocated to it.

Mr JOHNSON: I refer you again to page 80 of Budget Paper No. 3, Capital Works, and to the \$102.5m for other road programs, which includes a \$32m component for the Transport Infrastructure Development Scheme. Taking that \$6m away from the \$32m—on which roads will the remainder of that money be spent?

Mr HAYWARD: You are talking about the TIDS?

Mr JOHNSON: Yes, the other \$26m. You are saying that \$6m has been allocated from that program this financial year for the Bikeways Program. I am referring to the other \$26m.

Mr HAYWARD: The funds allocated to TIDS for this year total \$28m—that is what you are saying. What you now want to know is—

Mr JOHNSON: It has to be \$26m if you are saying that \$6m is going to the Bikeways Program. Page 80 of the Capital Works document refers to a total of \$32m.

Mr HAYWARD: I think you might have overstated it. It says \$32m, but it should say \$28m.

Mr JOHNSON: In the Portfolio Program Statements?

Mr HAYWARD: Yes, so I am helping you.

Mr JOHNSON: I am looking at Budget Paper No. 3, page 80. I will just put you back in the picture. The way I read it, there is \$102.5m for other road programs, including a \$32m Transport Infrastructure Development Scheme to provide bikeways. I understand you to say that \$6m out of that \$32m is for bikeways; is that right?

Mr HAYWARD: Yes.

Mr JOHNSON: That funding also provides for roads for remote communities and local government road subsidies. So is that other \$26m going to remote communities and road subsidies?

Mr TURNER: Page 80 does say \$32m. I have to admit that that is an error. If you look at page 23 of the Portfolio Program Statements, you will see a reference to capital grants and subsidies in the 1995-96 estimate column, about halfway through the column, where it reads \$28m. In fact, \$28m is the correct figure. The \$32m is an error.

Mr HAYWARD: That is what I was trying to say before. I was trying to help you out. In fact, it is lower than what you were saying.

Mr JOHNSON: Let us go back to the expenditure of that capital. For what purposes will that money be expended?

Mr HAYWARD: It will go into things like improved road accesses to essential services, it will provide some specific assistance to Aboriginal and Islander communities for access and internal roads, and it will contribute to local government programs. That is what I wanted to say, it will assist local governments with their transport systems so that they can develop appropriate regional development. It will provide support for transport infrastructure needs for economically viable industry development in regions, that is, things like tourism and freight transport services in remote areas. It will provide improved road access to essential services and transport infrastructure such as ports and air strips. It can be used for things like access to beaches and jetties and things like that.

Mr JOHNSON: An amount of \$28m cannot really be allocated for access to beaches and jetties.

Mr HAYWARD: It is about all of those things. Originally, it was part of the Queensland contribution to the Black Spot Program to assist funding for local authority grants. We have now expanded that program with our share of the money. We provide these services to assist projects between Queensland Transport and local government, usually on a fifty-fifty basis. As I said, there were a number of typical projects. Are you looking for some specific examples?

Mr JOHNSON: Yes. I was hoping that you were going to say that it would be for local authorities.

Mr HAYWARD: They make an application to us about a project and we assist them through the TIDS program on a fifty-fifty basis. That funding provides things like infrastructure for essential services such as ports or air strips and it aids remote communities. It is about enhancing the livability of a remote community or an Aboriginal and Torres Strait Islander community. As a rule, it provides support for transport infrastructure. However, the point that I was trying to make before is that it provides for other initiatives as well, but principally road infrastructure.

Mr JOHNSON: I refer to page 82 of the 1994-95 Budget Paper No. 3, page 82, Capital Works under the heading "Tollways", and I draw your attention to the figure of \$105m to be spent on land acquisition, design and project management on the south coast motorway. What percentage of the \$105m will be spent on land acquisition?

Mr HAYWARD: As you have identified, \$105m is set aside in the budget for this year. I will ask John Gralton to come forward, he is the executive director of that region and he is intimately involved in that project. Basically, the \$105m is for the work that is undertaken and it includes the design and construction necessary.

Mr GRALTON: The figure that we have in that budget allows for land acquisition for the south coast motorway. The overall land cost is estimated at \$80m, but because of the need to acquire the whole property in a number of cases where individuals wish to dispose of their property, there is a higher cost than the net figure. The figure of \$80m is the net figure after the disposal of the excess properties which will be purchased through that process. The additional funds there are for payment of project management fees in that period.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I would ask Mr Szczerbanik to continue with his questioning.

Mr SZCZERBANIK: I want to continue with the Transport Infrastructure Program, especially the capital works funding for the construction of the south coast motorway. Are you aware of recent reports from the Commonwealth Government's Economic Planning Advisory Committee regarding private funding for public infrastructure and, if so, can you outline how the construction of the south coast motorway fits within the various frameworks considered by EPAC and whether the financing and construction methods being used for the motorway are approved by that committee?

Mr HAYWARD: The Commonwealth Government Economic Planning Advisory Committee recently made some pronouncements regarding issues concerned with various private infrastructure construction of public works. My understanding of the EPAC report was that Build Own Operate and Transfer projects, or what is commonly known as BOOT projects, do not get the best value for money for the taxpayers. The simple principle on which EPAC based its concern about BOOT projects is that Governments have to pay a premium on top of the project's basic cost because the private owner ultimately bears the risk. I think in many ways that is probably pretty much an academic argument because you have to be able to secure the capital to undertake the project.

In simple terms, it will not affect the south coast motorway because it will not be a BOOT project. The ownership of the south coast motorway will rest with the South Coast Motorway Company. That is a body similar to Queensland Motorways Limited, which is the holding company for the Sunshine Coast, the Gateway and the Logan Motorways. Payment to the successful tenderer will be through agreed milestone payments during construction. That means that when they complete an amount of work, that is when they get paid. There will be agreed, regular operational and maintenance payments once the motorway opens.

As far as the south coast motorway is concerned, the Government is adopting an infrastructure financing system which is favoured in the EPAC report. It would be unfair of me to say that they specifically refer to the south coast motorway, but without saying so, the EPAC report recommends the course of action that the State Government is pursuing regarding the construction of the south coast motorway.

The important thing to understand—and this was hinted at before in a previous question—is that the project will not be funded through consolidated revenue, therefore there will be no diversion of funds from road projects in the rest of the State. That means that nothing will be coming out of the moneys that should be allocated to the rest of the State for road projects. Any financial input that occurs will be through the Queensland Infrastructure Financing Fund—QIFF—together with any joint equity from the private sector and, of course, that will be recouped from the toll revenue once the motorway opens. I think the important thing to understand about the costs involved in the motorway is that the motorway will be paid for by the people who use it, it will not come from general taxpayers' funds.

Mr SZCZERBANIK: There are unfounded claims that the funding allocation for the construction would detract from the amount available for general road construction throughout the State. Can you outline that?

Mr HAYWARD: No funds from taxpayers will be used for the motorway, and it will have no impact on the budget for roads throughout the State. The motorway will be paid for by the people who use it. Toll roads are funded independently of the general roads program, so there can be no suggestion that the wider community is paying for toll roads being built in south-east Queensland. The toll allocations are set aside in the budget. The construction of toll roads is based squarely on the user-pays principle: you use the road, you pay for it. Funding for the roads is then recouped through the payment of tolls. With the toll roads an alternative route always exists, so people who choose not to use the toll road can use a road-based alternative.

Mr SZCZERBANIK: The Minister would be aware that considerable effort went into public consultation seeking community input into the most appropriate route for the motorway. This has been a six-year process. Can the Minister detail the alterations to the original proposed route incorporated in the final route to take into account concerns raised by the community during the consultation process?

Mr HAYWARD: The approval of the final route of the motorway and the associated environmental management plans followed extensive community consultation and investigations during the last five years. The principal alteration that everyone focuses on is the decision to preserve the koala habitat within the Daisy Hill State Forest. That concern has been addressed by modifying the original alignment to ensure that the main body of the koala habitat remains undivided and that the quality of the habitat could be improved by the process of land acquisitions. The main habitat area remains undivided by the motorway, with about 2 per cent of the prime forest in koala habitat and approximately 0.7 per cent of the total forest affected.

The point at which the motorway intersects the Gateway Arterial road was moved 900 metres to the north to run along the Rochedale dump and thus minimise the impact on the farmlands in the area.

The route was originally aligned in close proximity to a Buddhist temple. That has been altered to take it to the far edge of the property, well away from the temple. A 2.8 kilometre tunnel will be built under the Daisy Hill Forest to preserve the koala habitat in the immediate area. The potential effect on flood levels in the Carbrook area and the impact on wetlands has been minimised by altering the original route. In the Gilberton area some changes were made to ensure that the alignments would be small as they cross some of the canelands in the area.

Mr SZCZERBANIK: Community consultation is wonderful, but you have to make the decision in the end. You cannot leave the process hanging up in the air. The bora ring was another site on which we had consultation, and people complained, "You are moving off the bora ring and onto my house."

Mr HAYWARD: A number of issues needed to be addressed, and I believe they have been effectively addressed through the consultation process. There are going to be people aggrieved by the decision, but we have to ensure that compensation mechanisms are in place for those people. In the end, of course, it has to be recognised that effective transport options are the lifeblood of communities. This is not just about getting people around, although that is very important; it is also important to ensure that freight and goods can move around so that commerce occurs and Queensland remains a significant job provider, and that we can cater for the growth in population that is occurring within south-east Queensland.

High transport costs are a problem on the Pacific Highway because of delays, congestion and accidents, and we must have rapid action to meet the growing population in the region. Despite the expanded rail network to the Gold Coast and passenger transport reforms, VETO has recognised that we still need an expanded road service. The argument between myself and VETO is that I do not want to see a 16-lane highway through the middle of a built-up area; I want to see an appropriate alternative transport route to the Gold Coast, and that is what the south coast motorway provides.

Mr SZCZERBANIK: You have touched on one of the things that I wanted to talk about. What provisions are in place for compensation to be paid to those people who are dislocated as a result of the particular route chosen? Can the Minister give assurances that people will be fairly dealt with in terms of the compensation they receive?

Mr HAYWARD: In answer to the second part of the question—yes, I give an assurance that people will be fairly dealt with in terms of the compensation they receive. The decision to build the motorway was made some time ago after extensive community and professional consultation. Even between the principal opposition group, VETO, and myself there is no argument about the need for much-expanded road access to the Gold Coast, although I significantly differ with VETO on the amount of disruption they are prepared to undertake in order to achieve that.

I understand the feelings of people who may be dislocated as a result of this motorway being built. I give the assurance that those people will get adequate and appropriate compensation. We have agreed to go much further than would normally be the case in compensating people whose properties are required for motorway construction. Rather than resuming and paying compensation for that couple of metres just inside the alignment of a property that is required for the motorway, we have made the decision to purchase the whole property—that is, if the person wants to sell. You cannot make people sell. We can certainly acquire the alignment that we need. That is what happens with any other road project. But in this particular case the decision has been made to acquire the property. If the person wants to sell the whole of the property, we will purchase the whole of the property. They have the opportunity then to exit from the area if that is what they want to do. We can always acquire the amount of the alignment that we need, but we are saying that if it is on the alignment and it affects their property in any way, we will acquire the whole property. I think that is a fair way of ensuring that issues that have been raised can be addressed.

Mr SZCZERBANIK: Can the Minister inform the Committee of the degree of support for the proposal amongst other parliamentarians, particularly members representing the Gold Coast electorate which stands to gain so much from the motorway? I preface that point because there have been so many arguments. Mid-year they wanted the motorway and now that we are getting closer to an election they do not want the thing.

Mr HAYWARD: I guess there is always a lot of politics involved in these sort of decisions. This case is one in point. When the motorway was first proposed, the member for Southport and the member for Nerang indicated clearly that they supported the motorway. That, of course, was in the early days of the debate. We have not seen much of them since then, particularly since—

The CHAIRMAN: Minister, I acknowledge the presence in the gallery of the member for Southport.

Mr HAYWARD: That is good, because in the early days—I do not know what he thinks now—

Mr JOHNSON: He has a great interest in the matter now.

Mr HAYWARD: Absolutely, and he should have because it is important to his constituency to ensure that the people who live there have adequate access from Southport both by road and by the rail options. He obviously recognised earlier the importance of that. But since the decision has been taken by the Opposition Leader to oppose the south coast motorway, it is very difficult for people who have previously expressed a view in support of it, particularly if they are in the same party, to continue to do that. I do not know what they think privately, but obviously publicly they are not going to say that. They are on the record; they know that and good luck to them because they were honest in their assessment of what the position and the proposal should be. It does not concern me that the

Opposition Leader has taken the chance to condemn his constituents to a life of incredible congested travel on the Pacific Highway. I guess he will be judged in his own electorate, as will many MPs on the Gold Coast, come election time when the opportunity is presented to people to clearly express what they think about any proposal that is not going to give people proper access from the Gold Coast to Brisbane.

Mr SZCZERBANIK: There is a wider community benefit out there—

Mr HAYWARD: It is not just about people travelling. It is about commerce; it is about ensuring that goods and services can be conveyed between places efficiently and effectively, because all the time that is lost in people being struck in traffic jams, accidents or things like that ensures that companies' money, individual's money, truck drivers' money simply goes down the drain. That is why organisations such as the Transport Workers Union have strongly supported an alternative corridor to the Gold Coast. They recognise clearly that their members would benefit from such a proposal, as with an organisation like the RACQ.

The CHAIRMAN: Minister, departmental officers, Committee members, I feel that this would be an appropriate time to take a break for 10 minutes. The Committee hearings are now suspended and we will recommence at 9.15.

Sitting suspended from 9.05 to 9.19 p.m.

The CHAIRMAN: The examination of the Budget Estimates for the department will recommence. I remind the Minister that the time allotted for the Department of Transport will expire at 11 p.m. and that the next period of questions will be from non-Government members.

Mr HAYWARD: Mr Johnson asked for a copy of an enterprise development agreement. I take the opportunity to present it now. There was a question about bike lockers. I said that I would come back in about an hour's time with the answer. There are 248 bike lockers providing 596 secure bicycle storage spaces which will be provided at Citytrain suburban stations and specific stations. They will complement the existing 275 bicycle lockers that currently exist at 40 stations within the Citytrain network.

The other issue that was raised by Mr Johnson concerned four things which I think I can complete pretty quickly. I said that I would come back within half an hour. The four issues related to the TIDS program, the Toowoomba by-pass, Douglas Ponds and some comparative figures about transport infrastructure. I think we need to fix up those comparative figures, otherwise we will struggle on for the rest of the night. Neil Doyle has those figures, which he can present to you straight away.

Mr JOHNSON: I am happy with that.

The CHAIRMAN: Thank you, Minister. We will receive that document and we will take the opportunity to study it before deciding whether it will be incorporated, published with the report of the Committee or retained by the Committee.

Mr HAYWARD: I was not thinking that it should be published. I thought that the member could have a copy. It is a public document. There is no problem about that. That is the enterprise development agreement. Mr Johnson suggested that Mr Doyle could make some comments regarding the comparative figures, if that was okay.

Mr DOYLE: I am Neil Doyle, Queensland Transport. In relation to the Toowoomba bypass, I indicated that, to the best of my knowledge, there was no specific funding provided. Could I indicate that in the forward strategy that we have submitted to the Commonwealth Government, we have a nominal amount of \$200,000 a year for any resumptions that might be associated with the Toowoomba bypass.

In relation to Douglas Ponds, Mr Johnson asked the question as to whether there had been some sort of cost blow-out. In fact, the estimated cost in 1994-95 was \$8.8m; the estimated cost is now \$8m. It looks like we will do it for less than what we said. As I expected, we spent the money a little faster than we expected.

Very briefly on TIDS—without trying to foreshadow any projects, you will be aware of the types of projects that have been approved in the past under the LARS program or the old KLAR program. It is very similar to that. The types of projects that we will be doing will be about \$6m for regional development. If you look at things like access to national parks and Aboriginal and Torres Strait Islander projects as a group, they are about \$11m.

Mr JOHNSON: While on the subject of access to national parks, will shires that come to mind, such as the Bauhinia Shire, be able to make application for assistance? How will those funds be dispersed?

Mr DOYLE: Bauhinia Shire has made application. I understand that in the coming weeks the Minister will be considering the TIDS Program for approval.

With the Chairman's approval, I am happy to table the numbers that I wish to speak to. The concern was that the transport infrastructure capital expenditure over three years was declining. Mr Johnson quoted some numbers. If I have a look at the same three and include the port authorities, the rounded figures are \$907m, \$907m and \$1,044m. I will table the exact numbers. If we look at roads only, and that includes toll roads, the figures are \$680m, \$725m and \$899m, which shows sustained growth. If we look at roads without including toll roads the figures are \$635m, \$647m, \$731m—once again, sustained growth. With your approval, Mr Chairman, I will table the details.

Mr JOHNSON: In the latter part of the last bracket of questions for non-Government members, I asked what percentage of the \$105m was spent on land acquisition. Could I also have the figures for the anticipated total capital outlay for land acquisition to enable the south coast motorway corridor to be finalised? If I could have those figures, I would greatly appreciate it. Would you be

able to advise what component of the \$685m will be allocated to the construction of the koala tunnel?

Mr HAYWARD: The estimated cost of the cut-and-cover tunnel is \$135m. That is estimated to be \$53m over the alternative that was originally considered, which was a bridge-based construction over Daisy Hill. The estimated cost is \$135m. When you consider that figure, you have to understand what that is about. Basically, this project will go out to tenders and, on the basis of those tenders, we will ascertain the actual cost. If early anticipation is correct, hopefully we will be able to bring it in at a significantly reduced cost. In the end, as I said before, this is not about taxpayers having to fund it. In broad terms, it is funded by the people who use the motorway, that is, it is a user-pays system.

Mr JOHNSON: That \$135m is coming off the \$685m?

Mr HAYWARD: Yes.

Mr JOHNSON: Earlier, you referred to the Leader of the Opposition being very irresponsible by making a statement in relation to this concept and the cancelling of contracts if the Opposition wins Government. I believe that that decision that the Leader of the Opposition has made is a very responsible one, bearing in mind that we are on the eve of an election. As to our policy and your policy—it is up to the electorate to decide which they feel is a better policy. I think that you would agree, as we would agree, to abide by the umpire's decision. I want to place on record the statement by my leader. I support him to the hilt, as do the other members of the Opposition.

In relation to the south coast motorway—in response to a question from the member for Albert, you mentioned the source of funding for the south coast motorway corridor.

The CHAIRMAN: Your time is up, Mr Johnson. Would you like to ask one brief question?

Mr JOHNSON: I wanted to put that on the record, and I do not make any apologies for that. Would the Minister advise the Committee of the source of the funding for the south coast motorway corridor? You said that it will be QIFF funded and that it will not be taxpayer funded. You also stated that funds would not be taken from other roadworks to fund that project. I am very interested to see where the \$685m will come from. I note that you said the users pay, but you have to have dollars to start the project.

Mr HAYWARD: The member has asked several questions. The first one concerned contracts and whether or not it was appropriate behaviour to renege on contracts. I simply cannot accept that that is appropriate behaviour. For instance, the contract for the project management of the South Coast Motorway has been entered into. The original estimate was around \$10m. In fact, the contract has been settled for something like \$6m. So that is an example of what is out there in the marketplace. We have to be very careful when we use these estimates and they become the rule, because the only way you can find out what something costs—as you would know better than anybody else—is to take it out into the marketplace and see

what the tender system produces. So far, the project management, which is an important part of this, has come in considerably less than the estimated cost. The Opposition Leader has stated that he is going to renege on those contracts. He is effectively saying that the contract entered into for project management will be tossed out the window. I make the point—without going on about it—that it is not an appropriate signal for people to give to business in this State and nationally. There is no vested interest, from my point of view, in saying that; I just do not think that that is conducive to successful business undertakings.

So that it is clear, I point out that of the \$685m, basically we will be going out into the marketplace to look for appropriate private investors who wish to fund the work that is involved in the motorway. Hopefully, as I have always said, we will be able to find private capital that is willing to undertake such a project. The signals that I seem to get indicate that that is certainly possible. If necessary, something like QIFF could engage in a joint venture arrangement or some sort of financial assistance arrangement with regard to that specific project. The point I am making very clearly is that we are not talking about using taxpayers' money.

Mr JOHNSON: Madam Chairman, my colleague the member for Maroochyodore, Miss Fiona Simpson, would like to use the rest of this bracket for her questions.

The CHAIRMAN: Leave is granted.

Miss SIMPSON: I note that your department has been moving towards de-maining many State-controlled roads in Queensland. The Maroochyodore road has been mentioned as one of the regional arterial routes that could be affected by the Government trying to hand them over to local governments. I imagine that this would have quite an impact on council budgets in the future. Has your department got costings on what you propose to save the State Government by handing over those roads? Have these considerations been taken into account in the 1995-96 budget in any way?

Mr HAYWARD: With regard to the issue of costing—I am informed that there is no costing available. However, the Transport Infrastructure Act 1994 requires, among other things, the planning and management of a system of roads of national and State significance. As you have indicated, the system of roads is termed "the State-controlled roads system", and the criteria for the declaration of State-controlled roads are detailed in the Road Network Strategy. In summary, that criteria establishes that a road linking major commercial centres and regions and which carries significant non-local traffic is a strong candidate for State control, whereas a road that predominantly carries local traffic would be a weak candidate for State control. In saying that, there are many State-controlled roads throughout Queensland that do not meet the criteria. In simple terms, in most cases it is probably cheaper to retain them in their existing state because not every local government would want to have you de-maining—

Miss SIMPSON: I understand.

Mr JOHNSON: None of them would.

Mr HAYWARD: I would not say "none".

Mr JOHNSON: Some of them do not want those roads de-mained.

Mr HAYWARD: But that is the point I am making.

Miss SIMPSON: I believe that your predecessor, David Hamill, actually mentioned to a local council the possibility of the Maroochy road being de-mained.

Mr HAYWARD: It is done jointly. That is the point about this.

Miss SIMPSON: That links two very major centres. That is why I asked the question.

Mr HAYWARD: The point is that it is going to be done jointly. We are not just going to go "clunk" and de-main it. In this case, the Maroochy Shire Council would have to agree to it as well.

Miss SIMPSON: I do not think that they would be too keen, somehow.

Mr HAYWARD: If they agree to it and they want to do it, and we agree to it, that is okay. Look, you cannot say none do, because some do.

Miss SIMPSON: Is there an active program to de-main significant State arterial roads throughout Queensland or State-controlled roads throughout Queensland? Is there an active program whereby you are approaching councils throughout Queensland to get rid of a lot of State-controlled roads?

Mr HAYWARD: As I said, it is all part of the Road Network Strategy, but there is no active program of approaching councils about de-maining roads. As I said, the council has to agree to it. I have just been informed that, in 1994, the Banana Shire Council—to use that as an example—wanted a road de-mained. So that is an example of a shire that wanted that to happen. If a shire council wants to do that, and we are in agreement, we are happy to look at whatever options are available and whatever they want to do that is appropriate.

Miss SIMPSON: You mentioned that arterial roads should be linking major centres. Of course, the Maroochy road would be linking Maroochy and Nambour, as they are two major centres. I am just wondering why that has been included in talks with your predecessor, because that would be an obvious State-controlled arterial that should be maintained.

Mr HAYWARD: Basically, as I said, there is no discrete program. That is not to say that these things do not get discussed with individual councillors, or probably with the full council. I can give you the assurance that there is no specific program for us to de-main that specific road that you are talking about. In the end, if the local council expresses the view that it wants to do that—and I have been informed that it has not; we are not even sure whether it has or has not. I do not know what we are really talking about here, because there is no—

Miss SIMPSON: I just wanted to be assured of that.

Mr HAYWARD: You would have to ask the councillors, not me.

Miss SIMPSON: No, you would have to give them an awful lot of money before they would consider that.

Mr HAYWARD: Well, there you go.

Miss SIMPSON: This matter was raised by your predecessor, so that is why I raised it. In your opening remarks, you made comments about community service obligations with regard to the corporatisation of Queensland Rail. I note that Queensland Rail is trying to get rid of the Yandina Railway Station building—possibly handing it over or selling it to the Maroochy Shire Council. Is this part of a Statewide move to get rid of old-style historic stations?

Mr HAYWARD: I can ask the chief executive to say something about this in more specific terms. No, there is no program; but he could probably talk to you about another example. Basically, if we get approached by some local historical groups or whoever and they express a strong wish to run something or do something, we give it some thought. Now, it does not happen often, but—

The CHAIRMAN: Petrie Railway Station.

Mr HAYWARD: There is an example straight off. We do not want to upset the local community. If there is a strong community feeling that people want to use and maintain the historical significance of their railway station, we may be happy to work with them to do that. Mr O'Rourke could probably give some specific examples.

Miss SIMPSON: So you are not initiating a program to get rid of historic stations?

Mr O'ROURKE: No, there certainly is no program in Queensland Rail to get rid of any railway stations throughout the State. As the Minister said, from time to time a station might not experience any activity, and the local community might like to purchase it for a nominal price. We would consider such a proposal. That has happened on a number of occasions in different places around the State. One that comes to mind is—

Mr DOLLIN: Pialba.

Mr O'ROURKE: Pialba is one, and also Townsville.

Mr HAYWARD: Petrie.

Mr O'ROURKE: And Petrie. In most of these cases, the stations are beautifully restored and shifted away from the railway line. They are an attraction in the community. Certainly there is no program in Queensland Rail for dismantling or removing any of our stations. As the Minister said, if a community makes such a request to us, we consider it. In many cases, the stations enhance the community.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I ask Mr Bob Dollin to continue with the questioning for the Government members.

Mr DOLLIN: In November 1994, legislation was passed to introduce new reforms into the bus industry of Queensland, in particular contractual arrangements for bus services. Can you advise what progress has been made in regard to these contracts? As a result of these contracts, how will bus services be improved, for example, in the Ipswich and Maryborough areas?

Mr HAYWARD: There was, and still is, negotiation in relation to contracts for bus services in urban areas. That process is well advanced. As I said earlier, successful operators have been announced in six contract areas: Cairns, Townsville, the Sunshine Coast, the Ipswich/Goodna areas and in Logan. Basically, invitations were sent to existing operators in six different urban areas. The first round of invitations targeted the areas which were identified as having the poorest services. That is how we have bowled over the first six contract areas. The criteria under which offers are evaluated and prescribed are contained in the Transport Operations (Passenger Transport) Act of 1994 and the regulation of 1994. Basically, they are straightforward and pretty logical to most MPs.

The focus is on the needs of the community for which the service will be provided, the ability of each offerer to meet the minimum service levels, the cost of service provision and the ability to meet the need for sustainability and continuity of service. Contractors have to demonstrate that not only can they win the contract but that they also have the capacity to carry out what is needed. The regulation requires that contractors produce evidence that proposed minimum service levels will be achieved. The regulation requires them to produce evidence of financial viability and the overall suitability of vehicles, having regard to vehicle age and accessibility.

Because of the way in which the structures works, contractors must have plans to increase patronage through the marketing of services. A lot of them have undertaken to do that, for example, by setting out timetables and offering different language options for people. For example, people who have English as a second language will be able to communicate in their first language. Some operators are providing a timetable, which is a pretty unique experience in some of these towns. In addition, timetables are being made more accessible.

In relation to Ipswich—the overall number of services provided will more than double. By the end of the first year, the figure will go from 840 services per week to about 1,800 services per week. There will be night-time and weekend services in the Ipswich/Goodna area for the first time. Services will be provided using a fleet of 30 brand-new minibuses, as opposed to the existing aged fleets and second-hand buses. Customer service standards will be improved as well.

Mr DOLLIN: There is no doubt that the reforms you have just outlined will bring long overdue improvements to public transport and consequent benefits to people throughout Queensland. Can you indicate whether there will be more specific benefits, in particular to industry and

the Queensland economy generally? If so, what are they, and how can they be linked directly to the passenger transport reforms that you outlined in your previous answer?

Mr HAYWARD: Your suggestion is correct. I think I hinted at this in my last answer when I said that there would be 30 new minibuses in the Ipswich area. There can be considerable economic spin-offs for Queensland from the Government's recent improvements to bus services in Brisbane and the major provincial cities. We have indicated the places where that has occurred and how many areas will have weekend and night services for the first time. The consequence will be the necessity to employ more people. More jobs will be provided. That is the principal consequence of operating those extra services. Significantly, there will be a need for expanded bus fleets to service the increased services that the contract puts in place.

I am pleased that you asked the question, because it gives me the opportunity to inform the Committee that that need for new buses will be met from within Queensland with the development of a new bus building operation on the Gold Coast. That will occur as a direct result of the bus service reforms which have been introduced by the Government. A major New South Wales bus builder has decided to establish a bus body building plant on the Gold Coast so that it can better service the future expanding market in Queensland that these contracts have established. I am referring to a Sydney-based company called Custom Coaches, which has signed a lease to construct a new factory on the State industrial estate at Labrador. It is estimated that the capital cost of construction of the factory will inject about \$2m into the local economy. When completed, the bus construction operation will result in about 50 permanent full-time jobs in that area. Jobs will be created for vehicle body builders, spray painters, sheet metal workers and detailers, all of which are typical of the sorts of jobs that are available in the bus construction industry.

That reflects a great vote of confidence not just in Queensland but also in the public transport reforms which are currently being introduced throughout the State. As a result of the passenger transport reforms, I am informed that that company already has forward orders to build bodies for 100 airconditioned, 29-seat minibuses. Work will commence immediately on building the new factory. With the contracts now being signed, the pressure is on the company to deliver those buses. The first of the new buses is expected to roll off the assembly line in about November. Importantly, the use of smaller buses will focus on many of the new services to be introduced throughout the State as part of the new bus contracts. It is a bit of a mystery to us all why smaller buses were not used previously.

Mr DOLLIN: A number of major reforms are taking place in the passenger transport industry. What measures are being taken to ensure the successful implementation of these reforms, and how much is it costing to promote these reforms?

Mr HAYWARD: Passenger transport promotion and consultation is important. The

activities to generate a broad awareness of the reforms have to be promoted so that we can increase the need for public transport patronage and curb the private car dependency that we have in our society, that is, the impression that we are all basically welded to our motor vehicles, whether we admit it or not. These activities include: regular media statements; awareness-raising activities which are reinforced at places like the RNA Show, where we have an active display; trade shows; industry information days; and even through the opening of the new Brisbane Convention and Exhibition Centre. As well, industry workshops and conferences are held throughout the State. There are also the passenger transport reform update newsletters, which are circulated to the people most affected or directly affected by those reforms, such as school conveyance committees and the limousine industry. A wide level of community consultation is under way, particularly on the issue of the proposed minimum service levels for the urban bus and taxi industries. That consultation was undertaken in 1994.

The Better Bus campaign cost \$90,000. It ran in 39 newspapers and generated 2,500 responses. That information was taken into account in working out those boundaries and the service contracts. The Better Taxi Services campaign cost \$112,000. It consisted of \$96,000 in media placement fees. The taxi ad ran in 59 papers and it received over 500 responses. The idea was to get the message out there. The community promotional activities associated with the bus launches—and I will be looking forward to the one in Maryborough when the contract is signed, and I am sure that you will be, too—have begun. They include activities such as shopping centre displays and local print and electronic media advertising so that people know about the service that is provided and can feel confident that the service is available.

Basically, we are trying to foster a public transport culture within the community but focusing those efforts on young people within our community, because they will be the transport users of tomorrow. If they embrace that culture, it gives us great hope for the future.

Mr DOLLIN: I suppose that you could call this a supplementary question. I understand that the bus runs will be contracted out. What encouragement will be given to the successful tenderers to use modern buses such as the minibuses instead of the old ones where people just about need a ladder to reach the first step?

Mr HAYWARD: Sorry, would you repeat the question?

Mr DOLLIN: Yes. It is just a little aside to the last question. I am very pleased to learn about the use of smaller buses, which allow easier access. I understand that these bus runs will be contracted out. Is there something that will encourage the winner of the tender to use modern buses rather the second-hand ones that are being used now such as the vehicles that carry 50 or 60 passengers?

Mr HAYWARD: Basically, that will occur. As part of the contractual arrangement that is entered into, there is an expanded service. New buses will have to be provided to deal with that expanded service. The second issue involved there is—

Mr DOLLIN: That is about all I wanted to hear on that question.

Mr HAYWARD: Basically, as the services are expanded, new buses will have to be provided to cope with that. I have just been given a note that is important. The contract also provides that the average fleet age of a particular bus service must be 13 years. In order to maintain that, the operators must keep updating their fleet. That is part of the contractual arrangement.

Mr DOLLIN: I note that the recently approved Transport Operations Passenger Transport Standards 1995 provide for a standing limit in buses of 20 kilometres. There is some community concern that this is unsafe, especially for school children. I understand that this is also the view of the Parliamentary Travelsafe Committee, of which I am a member, and the report on the safety and economic implications of permitting standees on urban and non-urban bus services recommended a lowering of the limit. What is the Government's position regarding the 20-kilometre limit? Is it prepared to consider accepting the Travelsafe Committee's recommendations?

Mr HAYWARD: We recognise that there is community concern regarding the provisions for standees as they relate to school children. As you know from your work on the Travelsafe Committee, there is no conclusive evidence that the lowering of the distance limit will reduce the number of injuries sustained in bus accidents. I think that we have to be realistic. There could be a significant increase in cost to Government and industry if particular recommendations are adopted. My view is that the costs and benefits of reducing the standing limit will be evaluated during the process of developing contracts with the operators. I think that is the best place to do that—as we work out those contracts with the operators of Government-funded bus services, and that includes many school bus services. So the chance exists through the contractual process to set down minimum standards.

The Government will undertake comprehensive reviews of the current services provided. It is important to note that the standing limit has been reduced from 30 kilometres to 20 kilometres. As to reducing that further—the Government will reassess the 20-kilometre standing limit following completion of the reviews that are under way. I have been informed that the School Transport Safety Committee is developing a proposal to audit school transport routes, and standees will be assessed at that time. It has always been the practice of the department to respond to concerns expressed by the public—and I think that that is well known—where standees are carried, particularly on steep or hazardous roads.

Mr DOLLIN: I must confirm that the Travelsafe Committee has found that, in that sort of

country, no-one stands on buses now. You were right when you said that the standing limit has been reduced from 30 kilometres to 20 kilometres. I believe that the Travelsafe recommendation was that it be reduced to 15 kilometres.

Mr HAYWARD: We are getting there.

Mr DOLLIN: We are getting there. I think that we have done well as a Government. The Government would be aware of the increased awareness of the needs of people with disabilities with regard to access to transport. Will the Minister advise the Committee what initiatives Queensland Transport is taking to ensure that people with disabilities have better access to public transport?

Mr HAYWARD: Under the Queensland Anti-Discrimination Act 1991 and the Commonwealth Disability Discrimination Act 1992, there is a requirement for public passenger service providers to make their services accessible to people with disabilities. That is important, and it is now the law. This requirement has caused some concerns for service providers while people in the community with disabilities are looking forward to much improved accessible transport; so there is a trade-off there between what you have and what people actually want.

The requirement is a national issue—there is no getting away from that—and that is established through the Act. In response to a number of discrimination claims by people with disabilities against transport operators, the Australian Transport Council of Commonwealth and State Ministers for Transport established a task force, the purpose of which was to examine and make recommendations regarding access to public transport. At its April meeting—the meeting that I attended—the ATC endorsed the task force recommendations and established a process which will develop draft standards under the Commonwealth Disability Discrimination Act 1992 for consideration by the council itself and, in the end, by the Commonwealth Attorney-General. I hope that these standards will provide both consumers and operators with guidelines that will be required to be met in the provision of accessible transport.

In addition, the standards will reduce the amount of uncertainty which is currently experienced by consumers and operators—everyone is unsure about what constitutes accessible public transport. Rather than just sitting and waiting, Queensland Transport has said that all taxi service licences issued will require a wheelchair accessible vehicle until all taxi fleets comprise at least 10 per cent of accessible vehicles. That step has been undertaken and this policy has already resulted in a significant increased wheelchair capacity in the Gold Coast, Ipswich, Townsville and Cairns taxi fleets.

Mr DOLLIN: It has in Maryborough, too.

Mr HAYWARD: As you say, it has in Maryborough, too. Mr Goss asked a question earlier about bus operators. A pilot program has been authorised in the budget to provide a total of \$3m—that is \$2m next year—in financial assistance to urban bus operators who purchase wheelchair

accessible buses and agree to participate in the pilot program. We are talking about providing up to 25 per cent of the cost of purchasing wheelchair accessible buses, which is a fair contribution. That will be available to participating operators.

The CHAIRMAN: The time period allocated for questions by Government members has expired. I will ask the members from the non-Government side to recommence questioning.

Mr JOHNSON: Page 32 of the Portfolio Program Statements refers to the allocation of some \$241m to QR to fulfil community service obligations in 1994-95, growing to some \$396m in 1995-96. On page 69, we see the sum of \$233m going back the other way for 1994-95, representing the payment by QR to Treasury of revenue from services provided with the assistance of CSO payments so that those payments virtually cancel each other out and the cost to Government of QR CSO is virtually wiped out. If that balance is going to be retained and there is a virtual elimination of CSOs by this curious, cross-subsidisation of Government, are we going to see major increases in the principal CSO areas like passenger transport and the low volume freight lines to keep up QR's ability to pay back an amount equivalent to what it receives in CSOs?

Mr HAYWARD: There were a few questions there. I think that we need to cover some of the complexities involved in it first.

Mr JOHNSON: The first part is the \$396m.

Mr HAYWARD: When the buzzer goes for the end of the three minutes I will fix up the answer. In 1993-94 and 1994-95, it was agreed that Queensland Rail would be paid CSOs on the basis of working expenses less revenue generated only. In 1995-96, and in accordance with section 121 of the Government Owned Corporations Act, Queensland Rail will be reimbursed the full cost of CSOs, including depreciation and rate of return. That can result in a significant difference in the increase in the amounts and current grants and subsidies. So, the issues to do with the asset valuations for depreciation purposes are taken into account and the rate of return is subject to agreement with Queensland Treasury. There are some adjustments involved in this but, principally, the main difference is the result of an amount of money, roughly \$126m, which is listed as a freight operating subsidy. Does that answer that?

Mr JOHNSON: Partly, however time is precious here.

Mr HAYWARD: I am having the same problem.

Mr JOHNSON: I refer you to Budget Paper No. 3, page 82, which states that an amount of \$126m has been allocated to the upgrading of the North Coast Line and the South West Line. What funds have been allocated to the Charleville-Cunnamulla and the Westgate-Quilpie lines from this amount for upgrade?

Mr O'ROURKE: The \$126m is the expenditure in 1995-96 for the ongoing program of main line upgrade, which is upgrading the railway

line between Brisbane and Cairns. It is a \$580m program which we would anticipate completing in early 1997. Also, as part of that program, some \$11m was allocated to improving the railway lines between Roma and Charleville. It was part of that major program to lift the standard of track between Roma and Charleville and also between Goondiwindi and Thallon—that was to enhance the drain lines in that region—but the major part of that program has been to improve the main line between Brisbane and Cairns.

Part of that program includes 40 new locomotives, of which we are now starting to take delivery, 250 new container wagons, the replacement of 650 timber and steel bridges and the strengthening of another 150. Most of that program is now under way. We would see that we would complete the major portion of the program between Rockhampton and Townsville in April 1996 and the balance of the program in early 1997.

Mr JOHNSON: I would like to interrupt you. Minister, the issue there is the Charleville-Cunnamulla and the Westgate-Quilpie lines. Are there dollars in that budget figure allocated for that? Mr O'Rourke mentioned \$11m for the line to Charleville from Roma. What about those spur lines, will they be upgraded or what is the situation there?

Mr O'ROURKE: This year, there are allocations for normal maintenance for those branch lines, but there are no significant capital allocations in this year's budget. I might add that that \$126m is commercially funded from Queensland Rail. It is not social capital.

Mr JOHNSON: I refer to Budget Paper No. 3, page 86, which mentions the acquisition and replacement of a road vehicle fleet to facilitate the provision of freight services and maintain the rail network with an amount of \$33.4m. What types and numbers of vehicles will this amount purchase?

Mr O'ROURKE: Because we turn our fleet around on a regular basis, that \$33m is the normal replacement program for cars and trucks. Basically, we replace motor vehicles within Queensland Rail at 40,000 kilometres, but the major part of it is for fleet replacement for our infrastructure groups throughout the State. I might just add that in 1994 we had 2,048 vehicles across the State and in this coming year, 1995-96, there is only a very small increase of some 36 vehicles, which takes the total to 2,084. The major reason over the years for the increase in vehicles is in our freight, coal and minerals area where we have changed the strategy of track maintenance. In the past, we moved our people around the State on old outmoded trolleys, which were more akin to the 1890s than the 1990s. We now have highly mobile track gangs using very sophisticated equipment.

Mr JOHNSON: What is the total number of road vehicles owned by the Queensland Rail Q-Link division? Mr O'Rourke made mention of 2,048; Minister, do you have the specific number?

Mr HAYWARD: It is 70.

Mr O'ROURKE: Mainly they are trucks, either large or small. The Q-Link business has been a major success story for Queensland Rail. When

we started the project of intermodal transport, integrating road and rail transport across the State, in 1989-90 it cost Queensland Rail \$112m to earn \$15m. We had a deficit of almost \$100m in that business. In 1994-95, the revenue for Q-Link will be about \$33m and the cost will be about \$69m. There has been a major turnaround with growth in the business across Queensland of some 25 per cent to 30 per cent in 1994-95. It has been one of the success stories of the reform program in Queensland Rail.

Mr JOHNSON: Page 12 of the Portfolio Program Statements refers to the implications of the National Competition Policy. It makes this statement: "This initiative is intended to foster more efficient markets with appropriate access for new entrants, thus contributing to international competitiveness." Is there or has there been any discussion or planning involving the sale of other disposable railway assets in central Queensland to BHP Coal or any other private body?

Mr HAYWARD: The answer is no. We are all involved with the Hilmer national competition policy reforms, whether we like it or not, and we have to be able to deal with them. When the Premier went to the COAG conference he was able to secure a commitment that coal and minerals would be exempt from the Hilmer reforms until the year 2000. Coal and minerals will have five years in which to develop to the stage where it is competitive with any equivalent coal and mineral service in the world. That was an important decision and a very sensible stand by the Government and the Premier in those circumstances.

That should be contrasted with what happened in New South Wales. The coal and minerals division in New South Wales has been given no lead-up time to ensure that it has a chance to be able to deal with the competition. In fact, they have allowed access to commence as of 1 July. History will show that to be a terrible mistake. Queensland has five years to ensure that we have a world-class competitive coal and minerals rail division in this State.

Mr JOHNSON: Mr O'Rourke has said that there is only normal maintenance and no capital expenditure on the Westgate-Quilpie line and the Charleville-Cunnamulla line. Is this also applicable to the lines from Emerald, Longreach and Winton through to Hughenden, and also the line from Jericho to Blackall and Yarakka? Is it true that there is provision in the capital works programs for expenditure on those lines in 1995-96? While you are looking for that, what is the charter for the future of the rail task force? What are its obligations going to be?

Mr HAYWARD: Where is that in the papers?

Mr JOHNSON: It is in the Budget Papers; \$75,000 is earmarked for the rail task force.

Mr HAYWARD: I am not sure that we have to answer that in the context of a Government owned corporation, which will happen from 1 July, although I am happy for Mr O'Rourke to supply the answer. We need to be careful not to verge off into areas that are not relevant.

Mr O'ROURKE: The branch line task force is still alive and well. The working parties are dealing with the issues raised by the task force. Regular meetings are still being held around the State, and various community and Government groups are working to get the cost recovery on those branch lines up to acceptable levels. From my point of view, Queensland Rail and rural community groups work very well together and it is progressing satisfactorily.

Mr JOHNSON: I do not doubt that, but if we are going to have cost recovery and patronage on those lines, we will have to have some dollars spent on them.

Mr O'ROURKE: We have put extra marketing people into branch line areas to get business on those lines. You will be aware that there are representatives at Longreach and Charleville. We have put our station masters through an extensive training program, following the comments of the task force, at a cost of about \$500,000.

Secondary main line areas across the State include the Emerald-Longreach line and branch lines like Jericho and Yaraka. Queensland Rail's capital program for 1995-96 has allocated an amount of \$3.8m to be spent on a number of what we would term secondary lines. Those have not been clearly specified at this stage, but they will be the western line from Charleville to Goondiwindi, and also the central line to Longreach. We are working hard to lift the standards of track throughout Queensland. Approximately \$70m is being spent on the Mount Isa line, and I have already mentioned the main trunk line to Cairns. We have funds available to lift the standard of track at Longreach. We need to spend this money on Queensland Rail because it was essentially a development railway with a very light-weight, 41 kilogram track on timber sleepers. That is even lighter than that in many parts of the State. Many of the tracks were not tied down tightly because the track was built to develop the State, rather than to serve the State as a modern railway into the future.

Mr JOHNSON: Following the recent spate of derailments in the railway network, could you please give a costing as to the loss in revenue and the cost in loss of rolling stock as a result of these derailments?

Mr HAYWARD: Mr O'Rourke can supply some figures for that.

Mr O'ROURKE: In answering your question for the period of the financial year from July until June this year, I would like to say that the total cost of derailments to Queensland Rail was of the order of about \$22m. I am sure you are aware that there was a major derailment that occurred in November last year in our coal system, and it alone cost some \$9m.

Mr JOHNSON: I thought the answer I got from the former Minister was a figure of \$12m.

The CHAIRMAN: Sorry, gentlemen, the time period for questions by non-Government members has expired. We will now ask Mr Dollin to continue with his questioning.

Mr DOLLIN: In Budget Paper No. 3, under the passenger transport program one of the expected achievements for 1994-95 was the reform of the bus, taxi and private hire vehicle sectors. What progress has been achieved in the bus sector? What benefits can we expect to see as a result of the reformed process of this sector? Finally, what additional costs are involved in achieving the necessary improvements in bus passenger services across the State?

Mr HAYWARD: The introduction of the Transport Operations (Passenger Transport) Act of 1994 and the regulations provided a completely new framework for the provision of public transport in Queensland. Recently, the Government approved a new standard which will replace the 1994 interim standard. It more fully details the requirement for operator accreditation and driver authorisation in providing public passenger services and will ensure enhanced levels of competence from operators and drivers alike. That is very clearly what the public want to see. Operator accreditation will raise the standards and awareness of operators in the areas of safety, service delivery and also very importantly in the whole area of business acumen. People begin to think a bit more about the business that they have and how that has to be successful to ensure that they can make a living and, hand-in-hand with that, provide a service.

Driver authorisation will ensure that drivers of public passenger transport are aware of their customer service responsibilities, that they are fit and competent to safely operate the vehicle, and in so doing they provide a much safer and a more customer focused service. All public passenger service drivers will be required to have driver authorisation. They have to demonstrate that they are competent to safely operate the vehicle, that they are competent in providing good customer service and that they are fit enough to safely operate the vehicle. That will apply to buses and taxis and to the private hire vehicle sector. I think it is also important to notice that as part of the authorisation process bus drivers as well as taxi drivers will be required to have successfully completed a training course. That training course will focus on issues such as customer relations and matters such as anti-discrimination, so that they understand what it is like to be able to provide an improved and enhanced service for people.

Mr DOLLIN: What progress has been achieved in the passenger industry reforms for the taxi and limousine sectors? What benefits can we expect to see as a result of the reform process of these sectors? We note that taxi service contracts are a feature of the passenger transport reforms. What will they achieve and when will they be introduced?

Mr HAYWARD: It fits in a little bit with the previous question. The reforms in the taxi and the limousine industries will have a number of elements, including, as we mentioned before, the driver authorisation and the operator accreditation. That ensures that they are all aware of their responsibilities under the Act and are able to

provide that service in a professional way with some customer orientation.

The most important reform is the implementation of a series of taxi service contracts. Among the provisions of a taxi service contract will be a requirement to meet a maximum waiting time. This time will be set according to the performance of the industry and the customers' perceptions about what is a reasonable time to wait for a taxi. So the ability of the taxi companies to meet the maximum waiting time will provide an automatic indicator of the need for more taxis in an area. That will give a clear signal as to whether there should or should not be more taxis in an area. That will eliminate the need to rely on the present system where you have infrequent surveys or you just rely on waiting for taxi companies to simply submit requests for additional taxis. The new initiative of taxi service contracts has been put in place and these contracts were between the department and the administrator of taxi services. They are the people who accept the bookings for taxis and assign taxis to customers. As I said, they will include performance standards for taxi operators within taxi service areas. They are currently being developed and, provided we can get through the negotiation in the agreement of all of the contracts, they will be complete by the end of 1995.

You mentioned limousines. There has always been some competition between limousines and the taxi industries in certain segments of the market. I think business travel is one area. Transfers from airports and major transport interchanges are markets where competition between limousines and taxis has always existed. The competition will be stimulated further when limousines are allowed to operate legally from special limousine ranks at airports and major hotels. The process for establishing those ranks will be discussed with the Taxi Council of Queensland and the Limousine Association of Queensland. Queensland Transport has produced a discussion paper and progress on establishment of those ranks should occur shortly.

Mr DOLLIN: With the endorsement of the Hilmer report by the Federal and State Governments there has been increasing talk of deregulation of the taxi industry. What is the Queensland Government's decision on this issue?

Mr HAYWARD: Our position has been very clear on this. I wrote to the Taxi Council of Queensland on 9 May in relation to the impact of the Hilmer report on the industry and assured the council that deregulation of the taxi industry was not a component. It certainly is not a component of the legislative package implementing national competition policy. There is a specific exemption, which we talked about earlier, in relation to coals and minerals. At the insistence of the States and Territories, there is an exemption from the Trade Practices Act for licensees to supply goods or services which are issued by a body representing the Crown. Taxi licences, which are issued by Queensland Transport, clearly fall into that category.

The Passenger Transport Review, which concluded recently, identified that the taxi industry was, in general, doing a good job, but it noted that

there was a need to improve the range of services delivered by taxis and to have more innovative fare structures. Queensland Transport has recently undertaken surveys of what the users think, and similar conclusions have been obtained. There is nothing in the international experience to show that deregulation of the industry would in any way work to improve the industry or would result in the same high standard as that currently achieved by the Queensland taxi industry. So my position is very clear.

Mr LIVINGSTONE: In view of the massive road project under way in south-east Queensland—and I refer to the South Coast Motorway, for example—will the lion's share of road funding go to the south-east corner at the expense of country Queensland?

Mr HAYWARD: The short answer is: no; but you would have expected me to say that. The Government does face an important challenge in meeting the demands of the unprecedented growth which is occurring in south-east Queensland and far-north Queensland, but we have to do that and still meet the legitimate needs of the rest of Queensland. We have been doing that by managing that growth and encouraging involvement of the private sector in the design, construction, operation and maintenance of tollways, for example, within the south-east corner of Queensland. The Government has supported the road reform initiatives. Those initiatives have sought to achieve what we can all recognise as massive productivity gains—gains of about \$120m per annum, which can be ploughed back into roads. That productivity improvement allows more work to be done with the same level of funding to better meet the needs of rural and remote communities.

We talked earlier about the road reform process which is under way. It has been sensitive to the needs of rural and remote communities. We have entered into sole invitee status with local governments that are affected. As I indicated earlier, we are prepared to continue that sole invitee status. That protects the viability of those communities, their work force and the infrastructure in those communities. However, we do that whilst agreeing to determined productivity levels in the construction of those roads.

We have also provided some money to local governments through the TIDS Program, and I think it is important to recognise that all registration fees are applied to roads and that more than 60 per cent of State road funds are spent on State-controlled roads outside the south-east corner of Queensland.

Mr LIVINGSTONE: What is the current progress on the Queensland Transport Road Implementation Program—RIP? Perhaps some details on the legislative background to the Road Implementation Program would also be helpful.

Mr HAYWARD: The Transport Infrastructure Act 1994 requires that the Director-General of Transport develop annually, for my approval, a Roads Implementation Program that includes performance targets. As part of that road reform initiative, the State Government made a

commitment to local government and the road construction industry to publish details of the approved five-year planning program for roads. When I say "publish details" I am talking about firm allocations for years one and two, and indicative allocations for years three to five. I think that is fair, reasonable and what people would expect.

That commitment was subsequently put into legislation which states that Road Implementation Programs are to be made publicly available in a way decided by the Minister. This ensures that Queensland Transport's planned actions for future roadworks are transparent and accountable. In November 1994, the Roads Implementation Program for 1994-95 through to 1998-99 was approved by the then Minister, David Hamill, and endorsed by Cabinet. It contains programs of projects for national highways, State-controlled roads and, of course, the Transport Infrastructure Development Scheme. Amongst other things, it also contains criteria for selecting the highest priority projects and performance measures.

Mr LIVINGSTONE: The Federal Government has been strongly criticised for the level of road funding, particularly national highway allocations, compared with the total amount of money it collects from fuel excise. What is Queensland's share of the national highway funds and the level of untied grants, and how do these amounts compare to those of previous years? Has Queensland's own State funding risen to compensate for Federal shortfalls? Are all the motor vehicle registration fees that are collected returned to road funding as in previous years?

Mr HAYWARD: I am not an expert on the issue as determined by the Federal Government, but currently about 32.5c per litre is collected by the Federal Government for fuel excise. The latest figures indicate that somewhere between 6c and 7c of that excise fee is returned to roads. The Federal funding to Queensland in 1994-95 for national highways amounted to \$179m, and for next year it will be around about the same figure. A further \$63m was provided in 1994-95 to Queensland by way of an untied grant. Previously, this level of funding was a tied Federal grant for national arterial roads, and approximately \$65m will be provided from this source during 1995-96. I think that it is important to note that expenditure on roads has increased each year since this Government was elected and that all motor vehicle registration fees are applied to roads.

The Government is strongly committed to roads in this State as part of a total transport solution, and that includes investment in passenger transport. The allocation for roads from State funds is \$544m for the 1995-96 year. In every year of this Government, State funding for roads has increased. Through the road reform process we have been able to aim to have a productivity improvement of 20 per cent in the use of roads funds by the end of 1995. Based on the 1991-92 allocation, we have been able to achieve a saving now of \$120m. Basically, that means that those savings are able to be invested in roads. Overall, through those reform

processes, the community gets more roads for its dollar.

The CHAIRMAN: The time period allocated for questions by Government members has expired. There are 19 minutes now remaining in the current time allocation. Under the sessional orders, it is supposed to be divided equally between Government and non-Government members but we will say 10 minutes to non-Government members and nine minutes to the Government members.

Mr JOHNSON: I refer to page 92 of Budget Paper No. 3 and an amount of \$52.5m for prestressed concrete sleepers. Are these sleepers replacing the already purchased steel sleepers that are proving unsatisfactory in many areas? I also ask: what is the value of the steel sleepers that have been purchased to date? Is it true to say that Simsmetal is purchasing these sleepers for a melt-down job?

Mr HAYWARD: There were a couple of assumptions in your question.

Mr JOHNSON: Are these sleepers replacing the already—

Mr HAYWARD: No, the bit about the others being unsatisfactory.

Mr JOHNSON: Yes.

Mr HAYWARD: That has caused us to rush around, because they are simply not unsatisfactory.

Mr JOHNSON: I have been getting a different story. I just wanted to ask if that was true.

Mr HAYWARD: Mr O'Rourke can answer that.

Mr O'ROURKE: The sleepers referred to in the line "Relay (Pre-stressed Concrete Sleepers)" are sleepers that we are using mainly for our track-laying machine, which is now rebuilding the coal lines between Rockhampton and Emerald. We have also used some of that in the Gold Coast railway and as part of the main northern railway. They are not substituting in any way the steel sleepers. They are being used in another part of the railway, essentially in the coal railway, which is a prestressed concrete operation.

As far as the steel sleepers are concerned—steel sleeper purchases and the steel sleeper installation is occurring on the Mount Isa line and also on the main northern line. We are quite happy with the standard of the sleepers that we are receiving and are inserting. There were some early problems with steel sleepers. I think in Western Australia there were some problems, but they have long been overtaken. The steel sleepers that we are purchasing and installing both in Mount Isa and in the north have a long life. It is a good investment for Queensland Rail.

Mr JOHNSON: Thank you. Madam Chairman, my colleague Miss Simpson the member for Maroochydore will finish off this bracket for the Opposition.

The CHAIRMAN: Leave is granted, Miss Simpson.

Miss SIMPSON: Mr Minister, last week the Federal Transport Minister and you performed a sod-turning ceremony for the belated Yandina highway deviation. How much did the sod-turning ceremony cost taxpayers, including the catering, the provision of bulldozers for the ceremony and the preparation of the site for guests?

Mr HAYWARD: We missed you there. We thought you would be there, seeing that it was in your electorate.

Miss SIMPSON: I was in Parliament, Mr Minister. You gave me only a day's notice.

Mr LINGARD: Were you told about it?

Mr HAYWARD: Absolutely.

Miss SIMPSON: Only a day's notice, while I was in Parliament.

Mr HAYWARD: As to the actual cost of the sod-turning ceremony, given that it was a Federal project, it would be best to refer that to Mr Laurie Brereton.

Miss SIMPSON: Even though it is a line item in your budget?

Mr HAYWARD: Yes.

Miss SIMPSON: My supplementary question to that is that on page 89 of the Capital Works Program, the Yandina highway deviation is listed as costing \$53.3m. Why then do local newspapers and Government leaflets refer to it as costing \$54.8m?

Mr HAYWARD: I have not got it in front of me. Basically, this is the risk you run when you look at issues to do with these estimates. Basically, what you have got is an estimate. What you find is that when the actual contract is entered into, that will determine the real market cost of a particular project. Someone may have an answer as to why that specific figure does not reconcile, but I am urging people on the Committee to not get too hung up over what estimates are about because, in the end, the figure that really counts is the figure that you actually have to pay the contractors for the work. I have been passed a note, which I cannot read—maybe it has something to do with the hour. The person who wrote this can probably the answer the question about the reconciliation of the amount. I just urge people to not get too hung up on what the estimates are about because, in the end, the contract is what people actually pay for the work.

Miss SIMPSON: That was last week and this is the estimate this week.

Mr DOYLE: It is my handwriting. The estimate in the Capital Works Program is the estimate that we provided to the Commonwealth Government at the time that we put in the national highway strategy in January of this year. So it may well wind up being less than that after tenders are called and completed, or it might wind up being the current estimate that is in the brochures. I cannot explain exactly what the difference is, but there is a difference in the timing of the two estimates.

Mr HAYWARD: Can I just finish up the answer? When this issue was raised with me up

there, I said that in the end it is what the contractor determines. That is the first thing. Mr Brereton made the commitment there in front of everybody that if we bring the contract in for less than what the estimate is, we get to keep that money for further road projects. So we will be working hard to get that contract down.

Mr JOHNSON: In relation to the running staff in some of the western areas of the State taking transfers to other stations—I am talking about engine-drivers and DAs—what is the situation going to be in relation to the value of their asset in places such as Hughenden, Cloncurry or Alpha when these people could be transferred to other stations away from their home base? Will they be compensated to a realistic value? Will it be a fire sale value, or the market value of the region?

Mr HAYWARD: Again, I will be gracious, because I am pretty sure that that fits into the new corporatised entity after 1 July. Specifically, we will be providing people with support. We are holding discussions with the people who are affected now and wish to make changes. They can be assured that in general we are prepared to negotiate with them fully, frankly and, most importantly, fairly. There is the obvious example, which you did not mention, of the town of Alpha within your electorate.

Mr JOHNSON: I mentioned Alpha.

Mr HAYWARD: I am sorry. Alpha is probably more affected than other towns as a result of some of the changes. We are fair dinkum about it, and we are determined to ensure that people who work for QR are treated properly.

Mr JOHNSON: There was an amount of \$39.4m for VERs last year, and there is \$50m in the budget this year. How many people do you expect to take advantage of VERs in 1995-96? Do you have the number of full-time employees of Queensland Rail as of June 1995?

Mr HAYWARD: As of June 1995, we estimate that the number of full-time staff of Queensland Rail will be 15,571. The number of people whom we estimate will choose to take VERs during the year is about 800 people.

Mr JOHNSON: Can you inform the Committee of the truth of the matter relating to the new state-of-the-art diesel locomotives being built by Goninan in Townsville? Is it true that there has been a dimension problem with those new diesel locomotives?

Mr HAYWARD: The chief executive officer says, "No."

Mr JOHNSON: I have been told that there has been a width problem. Is that a problem?

Mr O'ROURKE: There is no problem at all. We had to shift a few signal posts that were probably too close to the tracks. The new locomotives are slightly wider than our existing ones, but only by a few millimetres. There is no problem with clearance for those locomotives between Rockhampton and Cairns, and also on the Mount Isa line.

Mr JOHNSON: So those signals had to be moved?

Mr O'ROURKE: I understand that only one or two had to be moved. We moved them for our own reasons, that is, to give the locomotives much more clearance than is normally the case. They were not close enough to be dangerous, but we decided to shift them.

Mr HAYWARD: They were not moved because a train would have hit them.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I ask Mr Livingstone to continue with questions from Government members.

Mr LIVINGSTONE: While there has been an enormous amount of publicity about the South Coast Motorway, as you would be aware the Pacific Highway between Reedy Creek and Tugun on the southern Gold Coast is still two lanes. Could you outline your plans to accelerate four-lane construction on that section? Additionally, what is the current situation regarding the highway's planned Tugun bypass on the Queensland/New South Wales border?

Mr HAYWARD: The Pacific Highway duplication from Reedy Creek to Tugun is one of the initiatives that came through as part of the budget this year. Basically, the background is that Cabinet approval has been secured for a program to accelerate that work to widen and upgrade the Pacific Highway to four lanes between Reedy Creek and Tugun. That road goes suddenly from four to two lanes, which is unacceptable. That work will be done at a total cost of about \$33m. As part of the State Budget for 1995-96, I was able to secure funds so that we can accelerate that project, with repayments to be made from 1997-98 onwards. We will be able to deliver the project to the public by March 1997, which will be three years earlier than the original schedule. We have been able to do that through accelerating the project as a result of bulking up the works into a major design and construct contract and by inviting offers from the private sector.

I will point out the savings that will be generated by that proposal. Under the original proposal, it was going to cost \$41.7m to complete that major upgrade. However, because we were able to bulk up the works earlier and accelerate the program, it is now estimated to cost about \$33m. We can generate savings and put them into other projects on that section of the Pacific Highway. The project includes various noise abatement works at Elanora and Palm Beach and some new highway interchanges in the suburb of Andrews and near the Boral quarry. It was a pretty important project which really demanded that something be done quickly.

The second part of your question related to the Pacific Highway deviation, which will pass to the west of Coolangatta Airport on the eastern edge of Cobaki Broadwater. Queensland Transport has acquired the land for its share of the corridor north of the border, but no property acquisition has been made by New South Wales for that project. The

Tugun Progress Association is very keen to see it advanced. We have the corridor, but they do not.

Mr LIVINGSTONE: At the recent Industrial Commission inquiry into competitive tendering and contracting by public sector agents, Queensland Transport was strongly criticised by the Australian Earthmovers and Road Construction Federation and the Asphalt Pavement Association on its tendering process and policies. As Queensland Transport was not represented at this inquiry, I ask whether those claims were correct, particularly the allegations that Queensland Transport is not genuinely exposing its construction work to open competition, that Queensland Transport is indulging in unfair tendering processes—for example, underpricing—that Queensland Transport is moving into non-traditional markets and that Queensland Transport has a serious conflict of interest through being both competitor and judge.

Mr HAYWARD: You are right in what you say, and like everything in this world—but let us just talk about Queensland Transport—there will always be those who think we should move more quickly or more slowly on major change. Some contractors strongly support Queensland Transport's policy and plans and they are impatient about the time it takes to bring things about. Others do not see it that way. We are committed to full and fair competition. We have indicated that a transition is necessary, and we will not dismiss good staff in making the change.

The organisation that you mentioned, the Australian Earthmovers and Road Construction Federation, wants Queensland Transport out of the business altogether, and I do not think that would be acceptable to anybody in this room. The Australian Asphalt Pavement Association has stated that its concerns are more directed to ensuring that Queensland Transport units attribute full costs in their bid prices when they tender for Queensland Transport work. That is fair enough, and I understand that. We are required, as business units, to win more work in competition. All National Highway work, with the exception of routine ordinary maintenance, is now required to go out to open tender. Targets have been set for 1995-96 and beyond for the proportion of overall Queensland Transport works to be contested in the open market, and they have been determined and explained pretty clearly.

The argument about not attributing full costs in bid prices of Queensland Transport, which then leads to arguments that because we are not doing that we are winning contracts through either unfair tendering practices or other negative bidding, simply has to be rejected if you look at the facts. We forwarded details of winning bids from the period in question to both of those organisations' members on 2 March 1995, and we clearly dispute that Queensland Transport business units are winning the bulk of work being put to open tender.

When a Queensland Transport business unit bids for openly contested work, an independent person is included on the tender assessment panel when non-price factors come into play. It is a bit like the issue that Mr Johnson referred to earlier with local governments. We have a loyal and committed

work force in Queensland Transport which wants to perform and work in a competitive environment. They accept that. The point about it is that it is incumbent upon us in Queensland Transport to ensure that we are able to tender in order to secure work so that we are able to keep that work force properly employed. That is always going to result in conflict with other people who want to put their contractors in to perform certain roadworks.

Mr LIVINGSTONE: Population growth and economic development in far-north Queensland and in the Cairns region in particular is posing major challenges for the State Government. What is Queensland Transport doing to meet these challenges in view of local complaints that the Cairns road network simply is not coping with current, let alone predicted, traffic volumes? What

studies and plans are under way to upgrade Cairns' road links, both internally and to nearby towns? What will be the expected outcome?

Mr HAYWARD: The Cairns/Mulgrave Regional Transport Study was completed in April 1993. It provided key base data for future planning for the Cairns region. That study included road, rail, pedestrian, cycling and other public——

The CHAIRMAN: I am sorry, Minister. That concludes the Committee's consideration of matters referred to it by the Parliament on 31 March 1995. I thank you for your attendance and that of your departmental officers. I now declare this public hearing closed.

The Committee adjourned at 11.01 p.m.