

## THURSDAY, 25 JULY 2013

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### ESTIMATES—TRANSPORT, HOUSING AND LOCAL GOVERNMENT COMMITTEE—TRANSPORT AND MAIN ROADS

#### Estimates Committee Members

Mr HWT Hobbs (Chair)

Mr JB Grant

Mr DJ Grimwade

Mr CJ Judge

Mrs DC Scott

Mr A Shorten

Mr JR Woodforth

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#### In Attendance

Hon. SA Emerson, Minister for Transport and Main Roads

Mr P Walsh, Chief of Staff

#### Department of Transport and Main Roads

Mr N Scales, Director-General

Mr T Philp, Executive Director

#### Gold Coast Waterways Authority

Mr H Morris, Chief Executive Officer (Acting)

#### Queensland Rail Transit Authority

Mr J Benstead, Chief Executive Officer (Acting)

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#### Committee met at 9.00 am



**CHAIR:** Good morning all. I declare this estimates hearing of the Transport, Housing and Local Government Committee now open. I am Howard Hobbs, member for Warrego and chairman of the committee. The other committee members are Mr John Grant, member for Springwood; Mr Darren Grimwade, member for Morayfield; Mr Carl Judge, member for Yeerongpilly; Mr Anthony Shorten, member for Algeester; and Mr Jason Woodforth, member for Nudgee. Mrs Desley Scott, member for Woodridge and deputy chair, is unable to attend this session of the hearing. She is replaced by Mr Curtis Pitt, member for Mulgrave. The committee has also given leave to non-government committee members to participate in the hearing today and I welcome Ms Anastacia Palaszczuk, member for Inala, who is having her birthday today. Happy birthday to you.

**Ms PALASZCZUK:** Thank you.

**CHAIR:** And Ms Jackie Trad, member for South Brisbane. We are here today to examine the proposed expenditure contained in the Appropriation Bill 2013 for the portfolios of the Minister for Transport and Main Roads, the Minister for Housing and Public Works and the Minister for Local Government, Community Recovery and Resilience. The committee will examine the estimates in the order set out in the hearing schedule. The committee will suspend proceedings for a break at 10.30 am, 12 noon and 3.30 pm.

The proceedings today are lawful proceedings subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be

excluded by order of the committee in accordance with standing order 208. In relation to media coverage of today's meeting, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting guidelines. The hearing will also be broadcast live via the Parliamentary Service website. It is important that questions and answers remain relevant and succinct. Where necessary I will remind ministers, directors-general, CEOs and their advisers that the answers to questions should be finalised so that other issues can be examined. Before we begin I ask that all mobile phones be switched off or put on silent. For the benefit of Hansard I ask advisers, if you are called to give an answer, to please state your name and position before speaking.

The first item for consideration is the estimates for the Minister for Transport and Main Roads. On behalf of the committee I welcome to the hearing Minister Emerson, officers of the department and entities and members of the public. We will examine the estimates of your portfolio until midday. I now declare the proposed expenditure for the Minister for Transport and Main Roads open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

**Mr EMERSON:** Thank you, Mr Chairman. Thank you for the opportunity to appear before the Transport, Housing and Local Government Committee. Can I wish the opposition leader a happy birthday for today.

**Ms PALASZCZUK:** Thank you.

**Mr EMERSON:** The Department of Transport and Main Roads plays an important role in our government's four-pillar economy. This budget outlines the funding needed to deliver that role. Mr Chairman, as the committee would be well aware, the Newman government has had to make careful and considered decisions to put an end to the waste left by the former Labor government. You might recall from last year the great Labor waste, including 58,000 backpacks stored in a warehouse and an installation of electricity points for non-existent electric cars. On top of this, there were hundreds of millions of dollars of unfunded projects in QTRIP and excessive construction costs increasing well above the national average. There was also perhaps the worst example of public sector mismanagement: a redundancy program which cost \$96 million and actually increased staff numbers by 100. There were other examples of Labor's waste and mismanagement, including \$475 million spent on train lines and stations but that left commuters without enough car parks and \$200 million spent on new trains without seats. I am sure there will be a chance to address other failings by the former transport minister throughout the course of the hearing.

Mr Chairman, we have now developed and are delivering a legitimate QTRIP program. It is balanced and affordable, with funding allocated for each and every project. For the first time the Transport and Main Roads budget has safety at its core. I am pleased to inform the committee that this budget funds a \$350 million two-year Road Safety Action Plan. This includes 60 action items, including a record \$82 million for Safer Roads Sooner projects, community grants, review of licensing and review of speed limits on 100 roads. The budget will also deliver record spending on Queensland roads with a two-year \$10.3 billion QTRIP, almost \$2 billion more than Labor had in the corresponding two years of its program.

The work we have done means that we can deliver our program and still play our role in helping the state bounce back from natural disaster. We will fund our share of the \$900 million disaster recovery work following the Tropical Cyclone Oswald weather system of January this year. This budget contains an additional \$340 million funding investment for the Bruce Highway over the next four years—and wasn't that a wonderful announcement to match our commitment we saw from opposition leader Tony Abbott last week? Now I will be knocking on the door of that so-called Queenslander Kevin Rudd hoping he will recognise as well the importance of the Bruce Highway to Queenslanders. There has also been \$72 million allocated to Roads to Resources including the start of our election promises with the Toowoomba ringroad and Townsville's Blakeys Crossing. There is also funding for infrastructure across Queensland, including works on the Barkly Highway, Capricorn Highway, Warrego Highway, Cunningham Highway, Dawson Highway, Flinders Highway, Peak Downs Highway, Kennedy Highway, Landsborough Highway, New England Highway and the Pacific Motorway, to mention just a few.

Mr Chairman, at Transport and Main Roads we are also delivering real cost-of-living savings for Queenslanders. Shortly after coming to office I instructed my department to put a freeze on car registration costs for our entire first term in government for family vehicles—2.5 million family vehicles

have already benefited from this policy; we have also halved Labor's ongoing public transport fare hikes; and the continuation of our successful free travel after nine journeys. That will be an annual saving of more than \$260 for a regular traveller from a two-zone area, \$925 from the Sunshine or Gold Coast and \$220 from across the river in, say, South Brisbane. Mr Chair, we have undergone a restructure so that we can deliver better, more streamlined services to all Queenslanders. TransLink has now been reintegrated back into the department and as a result we have removed duplication. We have also formed the Queensland Rail statutory authority so no longer can a Labor minister say it is all too hard to improve services.

Mr Chairman, I congratulate the Treasurer on the budget. It represents another significant step in the right direction from the situation he inherited. It continues our journey from a time of mismanagement that occurred under Labor to a time when the people of Queensland are put first. Thank you, Mr Chairman.

**CHAIR:** Thank you, Minister. I now call the Leader of the Opposition.

**Ms PALASZCZUK:** Thank you very much, Chair. My first question is to the director-general. Director-General, I refer to page 8 of the SDS in relation to staffing matters. I understand that a comprehensive review of the department's structure was conducted in 2012-13. How many staff accepted a redundancy in 2012-13?

**Mr Scales:** Thank you, Chairman. Thanks to the honourable Leader of the Opposition for the question. The number of staff that accepted a voluntary redundancy package was 1,387.

**Ms PALASZCZUK:** Director-General, what are the annual labour cost savings to the department as a result of these redundancies?

**Mr Scales:** The cost savings of the redundancies is a little over \$100 million.

**Ms PALASZCZUK:** Is it about \$126 million?

**Mr Scales:** Sorry, that is the savings. You are entirely right to correct me on that. I gave you the cost, not the savings. About \$125 million savings.

**Ms PALASZCZUK:** Okay. How many staff were offered a redundancy as part of the Carseldine relocation and how many received offers as a result of the Gympie relocation?

**Mr Scales:** Thank you for the additional question, Leader of the Opposition. At Carseldine 67 employees were offered a redundancy as a relocation to that particular facility and 17 employees due to the Gympie relocation.

**Ms PALASZCZUK:** Director-General, does this mean that Transport and Main Roads has to do more with less staff now?

**Mr Scales:** Thank you again for the question. We are trying to work smarter across the organisation. We are using new technology where we can. We have got less staff and we are doing things in a smarter way, I would say.

**Ms PALASZCZUK:** Director-General, I refer to page 2 of the SDS: customer, safety and regulatory services that improve community safety and satisfaction. In relation to the announcement that Segways would be approved for public use, was any advice provided to the minister recommending against this move?

**Mr Scales:** We provided advice to the minister on a number of options. There were three options, and the minister chose two of those options.

**Ms PALASZCZUK:** Could you please expand on that a little bit, sorry?

**Mr Scales:** We recommended that Segways be used on a trial basis and a permit basis. We also recommended that the speed be limited to 12 kph. We also recommended that the matter be trialled first. The minister took that advice.

**Ms PALASZCZUK:** Director-General, just to wrap up this particular session, in relation to the SDS again, strategic corporate services, I would just like to explore the board of management roadshows, if I may. Can you explain the purpose of what I understand are known within the department as the board of management roadshows? What purpose do these events serve and how many have been held?

**Mr Scales:** Thanks for the question. The purpose of the roadshows was to actually engage with our staff and also to promote the strategic plan that we had developed through the board of management. There are five pillars to that plan and we have the strapline of connecting Queensland. I led the roadshows myself. There were 22 of them across the state. I connected with 2,100 of our

staff who attended in person. I also addressed all the questions I could on the day. For the questions I couldn't address on the day we provided feedback. We have set up a direct line—an anonymous line—for anybody who did not want to ask a question to ask me a question through a web based system which I answer as well. That is called the rumour mill. So the purpose really was to reconnect with our staff but also to launch our strategic plan for 2013 to 2017.

**Ms PALASZCZUK:** With the board of management, how many people would actually be travelling on these roadshows?

**Mr Scales:** It was always me.

**Ms PALASZCZUK:** Just yourself?

**Mr Scales:** It was always me, but what we did was if it had been in Mount Isa or Townsville the local deputy director-general Paul Smith would be there, but I always had at least two or three of the board of management with me so we could reconnect with the staff. I did, I think, 11,500 kilometres during that roadshow.

**Ms PALASZCZUK:** Thank you. My next question is to the director-general in relation to page 2 of the SDS. I understand that the Transport and Main Roads department has two positions for AO6 departmental liaison officers and one position for an AO8 senior departmental liaison officer; is that correct?

**Mr Scales:** Thank you, Chairman. Thank you for the question. That answer is correct.

**Ms PALASZCZUK:** They are departmental staff who report to the Director of Executive Services but are located in the minister's office; is that correct?

**Mr Scales:** That is correct.

**Ms PALASZCZUK:** At last year's estimates hearings the former director-general advised the committee that the DLOs were located in the department. Why has that policy changed?

**Mr Scales:** I am not aware that the policy has changed. There were two of the liaison officers located on the 15th floor of 85 George Street and one on the 14th floor. They were actually paid for by the department and located in our building. I am sorry I am not really understanding the question. They were physically located in our building and they are responsible—

**Ms PALASZCZUK:** But they are now in the minister's office?

**Mr Scales:** All three of them are now on floor 15 of our building. They are not physically located in the minister's office.

**Ms PALASZCZUK:** As a result of an expression of interest process that closed on 21 March 2013, I understand one of the former AO6 DLOs was reappointed; is that correct?

**Mr Scales:** That is correct.

**Ms PALASZCZUK:** Are any of the DLOs currently employed provided with a space to park their vehicle?

**Mr Scales:** I would have to check that. Certainly one of the DLOs uses a motorbike. No is the answer.

**Ms PALASZCZUK:** Do any of the DLOs have a business card? If so, have other past or present DLOs had such cards?

**Mr Scales:** I am not sure whether the past ones had business cards. I do not think the current three DLOs have business cards either. I will check.

**Ms PALASZCZUK:** I have a couple of questions for the minister, Chair, if I may.

**CHAIR:** Yes.

**Ms PALASZCZUK:** Minister, in relation to the reappointed DLO, when you first became minister had you known that person either professionally or personally before their initial appointment as DLO?

**Mr EMERSON:** Yes, I did.

**Ms PALASZCZUK:** Can you confirm that that DLO worked on your campaign in Indooroopilly in 2009?

**Mr EMERSON:** Yes, she did

**Ms PALASZCZUK:** Can you also confirm that the DLO also worked on your 2012 election campaign?

**Mr EMERSON:** Yes, I can confirm that. That DLO you are referring to at the time was also working in the Department of Transport and Main Roads when you were a minister.

**Ms PALASZCZUK:** Minister, can you also just confirm that after your swearing in you had a coffee with that DLO?

**Mr EMERSON:** Yes, I can confirm that.

**Ms PALASZCZUK:** Before the appointment?

**Mr EMERSON:** Yes, I had a coffee with her.

**Ms PALASZCZUK:** No further questions, Chair.

**CHAIR:** Thank you. Minister, on page 105 of Budget Paper No. 3 it says that the Gold Coast rapid transit will have a capital investment of \$178.8 million. Could you please provide some details on the operating costs and, in particular, any updates to any revenue projections for that project?

**Mr EMERSON:** Thank you, Mr Chair. The Gold Coast light rail, as you would be aware, is due to open next year, mid-way through next year. It is on track to open on time. This is one of the issues I first dealt with when I came into office. This is a project that was started under the previous government and we have been very supportive of this project. Unfortunately, I have to report to the committee that most recent data has indicated some concerns in terms of where the project is going. Those concerns really arise from the fact that the previous government agreed and began this project and signed the contracts in 2009 based on data that was three years out of date. That relates particularly to projected patronage on this service. They relied on 2006 figures when doing the deal in 2009.

The latest information we have received in terms of what we are looking for in patronage after the two-year ramp-up time for the Gold Coast light rail is that, while the previous government had been forecasting 45,000 trips per day, the latest figures indicate that there will be only 20,000 trips per day, less than 50 per cent of what the previous government had forecast it to be. Sadly, this is just another example of Labor's bungling of projects and mismanagement of projects. The fact that they relied on three-year-old data to do a deal to put forward a forecast of 45,000 when, in fact, the most recent figure indicates it will only be 20,000 shows, sadly, that Labor has bungled this project. In terms of revenue implications, it will mean that we will see, in terms of revenue coming in, 45 per cent less than what was forecast—again, financial mismanagement and bungling of projects by the previous government.

As I have said, we remain committed to this project, the Gold Coast light rail. We are holding talks with various stakeholders and various bodies have approached us about the possible extension of the project to stage 2. Those talks have particularly related to extending it to the heavy rail, possibly at Parkwood but more likely at Helensvale. We are investigating that at the moment. I assure you, Mr Chair and committee, that we will rely on accurate, up-to-date data. The fact that Labor bungled this project and was forecasting 45,000 passengers or trips per day when, in fact, our latest forecasts indicate there will be only 20,000 and that there will be an almost 50 per cent reduction in revenue on this project shows the bungling of this project, including by the now Leader of the Opposition when she was transport minister.

**CHAIR:** Thank you, Minister. I notice page 2 of the SDS talks about regulatory services. I understand that one item that we regulate is the issuing of disability parking permits. Could you please provide details on the permits and any issues that you may have uncovered since becoming minister?

**Mr EMERSON:** Thank you, again, Mr Chair. I think that we all recognise the importance of the government's role in helping those in our community who may be disabled. One of those things, and probably the most obvious sign of that often, is those disabled carpark spaces we see around shopping centres and communities. Of course, also, there is the fact that those cars do feature the signs that they stick onto the front window indicating that they are eligible to use that disabled carpark. Before our time in government, under the previous government, the Labor federal government decided that our paper signs were no longer good enough; they were inadequate. They asked the state government to agree to change to a new plastic form of this card, even though the new plastic card would cost us three times as much. The previous government did sign up to this. Unfortunately, I have to report that they have been a complete failure.

I have seen that federal Labor Senator Jan McLucas has complained about the fact that Queensland has withdrawn from the plastic cards that the previous government signed up to and that the Labor government said it wanted Queensland to use. I have an example of the card they want us to use. This is the example. You cannot see much difference, can I say, between our cardboard ones and the plastic ones. Unfortunately, while the federal government may think they work and they might work in some parts of Australia, they are not suitable for Queensland because what was happening was that within a couple of months of these being issued they were being sent back to us like this. This is the state of play. They were disintegrating into a mess. They did not work, even though they cost three times as much. What a bungle. It is another Labor bungle on something so important. You can imagine the frustration for people probably in our society who are less able to try to deal with these kinds of issues. Then we still get people like Jan McLucas complaining about the fact that we are refusing to keep using this kind of card.

We have gone back to a cardboard card. It has the same sort of security measures in place but at one-third of the cost. We will defend that decision to Jan McLucas, the fact that we are not willing to do what the previous state Labor government did and what the current federal Labor government wants us to do. We think this works. I can tell you that it is a hell of a lot better than this.

**Mr GRIMWADE:** Minister, I note on page 16 of the Capital Statement there is \$45.8 million identified for the auxiliary lanes for the Centenary Motorway. Can you please provide an overview of how the project is meeting community expectations and whether that has always been the case?

**Mr EMERSON:** I thank the member for Morayfield. I appreciate that question. I have been out to Springfield many times. The growth we are seeing out at Springfield is phenomenal. It will be pleasing at the end of the year when we do see the Richlands to Springfield line completed. One of the problems we faced out there when I went to that community was their concerns about traffic flow and the inadequacy of the Centenary Motorway to deal with their rapidly growing population.

I am pleased to report to the committee that one of the initiatives we did do was to make sure that we could deliver the Richlands to Springfield line in the most cost-effective and efficient way possible. As part of that, we are going to find savings. We have directed those savings to putting in additional northern lanes on the Centenary Motorway to service that community. I made that announcement at Springfield at a business breakfast, also attended by the Ipswich Mayor Paul Pisasale. I can tell you that Mayor Pisasale was overjoyed by that decision, as was the local community. They had real concerns about the growth in that population and the problems they were facing. The fact we have been able to build these extra lanes, these northern lanes, on that Centenary Motorway at no additional cost to taxpayers by managing the Richlands to Springfield rail line more effectively and efficiently and at a cost saving, and putting that saving back into a motorway, I think has been a great outcome for the people of Springfield. Mayor Paul Pisasale has been a great supporter of Springfield and since becoming minister I have been very pleased to work very closely with Mayor Pisasale. He understood the great benefit of this.

These northern lanes were opposed by the member for Bundamba, I understand. The mayor has told me that she was completely opposed to these lanes. I know that the community out there is very supportive of this project and the fact that we will deliver it at no extra cost to taxpayers has been a great result for the community and all Queenslanders.

**Ms PALASZCZUK:** Minister, I want to go back to the DLO position, if I may. Minister, on 30 October in parliament last year I asked you whether the continuing AO6 officer was known to you personally or professionally. You said—

In terms of the DLOs in the department, some I may have met personally previously. I did not know any of them professionally.

Today you have confirmed that the continuing AO6 you do know personally and you have confirmed that the continuing DLO worked on both your 2009 campaign and your 2012 campaign. Minister, did you request that the DLO be appointed after the 2012 election?

**Mr EMERSON:** I thank the member for the question. I encouraged her to apply for a DLO position. I understand she did apply for a DLO position. As I have indicated previously, she was already working in the Transport and Main Roads department under you, member for Inala. She did apply for that and I understand she obviously was successful in that. I understand that process was followed in an appropriate manner.

**Ms PALASZCZUK:** Did you request that the continuing DLO be reappointed as part of the March 2013 expressions of interest process?

**Mr EMERSON:** No, I did not.

**Ms PALASZCZUK:** Director-General, one final question: did the minister or anyone from his staff ask that the continuing DLO be reappointed as part of the March 2013 expression of interest process?

**Mr Scales:** Thank you for the question. The answer is no.

**Ms PALASZCZUK:** Thank you.

**Ms TRAD:** Good morning, Minister. Can I take you to page 20 of the SDS and also to your presence on the Steve Austin 612 radio program on 24 May this year, where you clearly promised to Queenslanders that you would be lobbying your federal counterpart Liberal leader Tony Abbott to reverse his position not to fund the Cross River Rail project. It has been 62 days since you made that commitment to Queenslanders that you would fight Mr Abbott to get him to change his mind. Could you please confirm how many meetings or conversations you have had with Mr Abbott or his office in the past 62 days and if you have had any success in terms of your lobbying efforts?

**Mr EMERSON:** Thank you, member for South Brisbane, for that question. I am very pleased to answer that and talk about this project. While I do not have an accurate recollection of how many times I would have spoken to Mr Abbott or met him in person, it would be maybe a dozen or half a dozen times in that time, including also, of course, the shadow minister for transport and infrastructure, Warren Truss.

**Ms TRAD:** In the past 62 days?

**Mr EMERSON:** In terms of the last 62 days, obviously I was with Tony Abbott in Mackay earlier last week. I have seen him probably three or four times in the last two months. I do not have an accurate recollection of that last 62 days, but I have seen him. I have spoken to Warren Truss and met Warren Truss on numerous occasions during that time. I continue to argue that Cross River Rail is an important project for Queensland. I continue to lobby the coalition and I continue to lobby Labor to give us a fair, genuine deal on Cross River Rail. At this stage we do not have, from either Labor or the coalition, a fair, genuine deal on Cross River Rail.

Let me go back to where we started with this process. Before the election the then transport minister, the now Leader of the Opposition, was claiming that the project would cost \$8.3 billion. That was at the beginning of the six-week election campaign. About three weeks into the campaign she mentioned that the project would cost \$7 billion. On the eve of the election she claimed it would cost \$6.2 billion. That is a change of about \$2 billion in the course of just six weeks. It probably shows how mismanaged this project was under Labor. They could not even manage to get the figure right. A move of almost \$2 billion in the course of just six weeks shows how poorly she managed that project.

When we came to office we organised a group to have a look at Cross River Rail to see whether we could wind down the cost of Cross River Rail. We came back with a figure of about \$4½ billion. We then approached both the federal government and the federal coalition and obviously submitted the Cross River Rail project to Infrastructure Australia as one of our priority projects. When we spoke to the federal government and Mr Albanese we indicated that we needed concessional treatment for his offer on Cross River Rail. I note that the member for South Brisbane has urged us to sign up to federal Labor's deal. What federal Labor's deal would mean is that the state government would have to pay 75 per cent of that project and the federal Labor government would pay only 25 per cent. Canberra would only pay 25 per cent. I think that is short-changing Queensland and that is not a fair, genuine deal.

What I find extraordinary, member for South Brisbane, is that you have been urging the state government to sign up to Labor's deal where Canberra would only pay 25 per cent but when your leader, the member for Inala, Annastacia Palaszczuk, was transport leader she wrote to Infrastructure Australia demanding the federal government pay 75 per cent of the project. In office they wanted Canberra to pay 75 per cent; in opposition they expect Canberra to pay only 25 per cent. I am happy to table this letter from Annastacia Palaszczuk to Michael Deegan dated December 2011 saying that Canberra should pay 75 per cent of Cross River Rail.

It is the height of hypocrisy for Labor in power at the state level to argue that Canberra should pay 75 per cent but in opposition say that we should accept just 25 per cent. I am not going to sell out Queenslanders. If we agreed to that deal it would cost Queensland taxpayers an additional \$1.25 billion. That is what state Labor wants us to sign up to—to give up \$1.25 billion. They did not think it was acceptable when they were in government but they want to look after their Labor mates in Canberra, get a deal up for their Labor mates in Canberra and sell out Queenslanders on this. I think that is a disgrace.

We will continue to put on the table a genuine fifty-fifty partnership. Can I say, Labor in office wanted Canberra to pay 75 per cent. We have said that fifty-fifty with 100 per cent concessional treatment on GST is a genuine deal. It is less than what state Labor wanted when they were in office, but it is not selling out Queenslanders like the member for South Brisbane wants us to do and sign up to 25 per cent. It is unacceptable.

That deal is on the table. I am happy to sign that genuine fifty-fifty partnership deal on Cross River Rail today. I am happy to sign that with Labor. I am happy to sign that with the coalition. Unfortunately, at this stage neither side is offering it. But I will not sign up to the deal that the member for South Brisbane wants me to which would sell out Queenslanders.

**CHAIR:** Minister, do you want to table that letter?

**Mr EMERSON:** Yes, I do.

**CHAIR:** Leave is granted for it to be tabled.

**Ms TRAD:** I note that you are not seeking to table the exchange of correspondence between you and Deputy Prime Minister Albanese where he actually gave you absolutely everything that you requested in writing. I did not note in your letter to Minister Albanese that that 100 per cent concessional treatment on GST was part of the terms of reference for your agreement, Minister. So I think that you are being a bit flexible with the truth and your recall of events.

**Mr EMERSON:** Can I answer that question, because the—

**Ms TRAD:** No, you cannot. That is not my question; that is a statement. In relation to projects—

**Mr EMERSON:** Excuse me, Mr Chair.

**CHAIR:** I call the minister.

**Mr EMERSON:** The member for South Brisbane has raised an issue about a letter and I am going to table that letter and address the issue that she has just raised. I am happy to table the letter. I will refer to part of my letter to Mr Albanese.

**Ms TRAD:** In full.

**Mr EMERSON:** Thank you, member for South Brisbane, it will come in full, do not worry. Here it is. You will get it in full. The reality is that I met with Minister Albanese and Minister Albanese said, 'This is the offer we are going to make on Cross River Rail—\$715 million each and then a fifty-fifty treatment in terms of availability payments.' We spoke to him and said we wanted concessional treatment of the GST otherwise the reality is that their share of the money that they put up they take back by taking away GST payments. That would be short-changing Queenslanders. That is why I wrote back to Mr Albanese detailing the information and saying—and I will read part of the letter—

I seek clarification that the project will be subject to concessional treatment of the Australian government payments related to the project for GST.

We asked for concessional treatment. Mr Albanese, the now Deputy Prime Minister and sidekick to the former former Prime Minister, came back to us and said, 'Mate, I spoke to Swanny. Swanny will not agree to anything more than 50 per cent.' We went back to him and said, 'We will not accept that. We want 100 per cent concessional treatment'—as we indicated in our letter—for this project.' But Swanny, that other so-called Queenslander, would not accept it. He would not do it. He would not budge.

I have now written back to Mr Albanese because, if you recall, shortly after Kevin Rudd came to office he said, 'I'm willing to talk about this. We are willing to negotiate again to get the deal underway.' Can I say that that has not been the case because the Prime Minister is all talk and no action. When he mentioned that on the weekend after he came into office I then wrote to Minister Albanese and said, 'I've heard what Kevin Rudd has said. We are happy to talk about it. Our deal is still on the table'—a genuine, fifty-fifty partnership with 100 per cent concessional treatment. I got no response. I finally got a response saying, 'No change to the deal. It is not changing at all.' So Kevin Rudd is out there, member for South Brisbane, saying he is willing to talk and willing to negotiate—

**Ms TRAD:** Fighting for Cross River Rail.

**Mr EMERSON:** Willing to talk and willing to negotiate—

**Ms TRAD:** You are backing away from it.

**Mr EMERSON:** It is all talk and no action. The Kevin Kardashian of Australian politics is out there saying he is willing to negotiate but nothing happens. The Premier and the Prime Minister then met again. In that meeting Kevin Rudd again said, 'Happy to talk. Happy to deal. Want to get this done,' as we are. Our deal is still on the table. We are still waiting to hear. We are waiting to see what comes back from them. I have written again to Minister Albanese saying the deal is on the table and I am happy to sign it today. We made it very clear in our meeting that we wanted concessional treatment.

I have written back to him saying, 'Swanny is no longer there.' They have knifed Julia Gillard and Swanny is gone. We have Chris Bowen in the chair as Treasurer. Minister Albanese may be able to get that deal up with Chris Bowen and Kevin Rudd, the so-called Queenslander. I am hoping they will agree to that deal. If they agree to it, I am happy to sign it today. Member for South Brisbane, I am happy to table that letter showing that we asked for GST concessional treatment—

**Ms TRAD:** You sought clarification. You did not say it was a deal breaker, Minister. Nowhere in that letter does it say that the terms of the deal are only acceptable if 100 per cent concessional GST treatment applies in this project?

**Mr EMERSON:** Sadly, member for South Brisbane, you have been caught out again. The letter is there and I am happy to table it. It says there concessional treatment of GST. The reality is that we are happy to sign that deal today. We are backing it. The only thing you have discovered today and been caught out doing is again trying to show up your leader, the Leader of the Opposition, by making us table a letter that showed that in office she wanted 75 per cent from the federal government and in opposition you are claiming just 25 per cent.

**Ms TRAD:** Yes, Minister, I think the only person who has been shown up today is you.

**CHAIR:** Are you seeking leave to table that letter?

**Mr EMERSON:** Yes, please.

**CHAIR:** Leave is granted for that to be tabled.

**Ms TRAD:** It has commercial-in-confidence on it.

**Mr EMERSON:** The letter has already been distributed in the public arena.

**Ms TRAD:** By whom?

**Mr EMERSON:** By the federal government. They put it out. Caught out again, member for South Brisbane!

**CHAIR:** It has been tabled.

**Ms TRAD:** Minister, can you please confirm whether or not the upgrade to the Bruce Highway actually has 100 per cent GST concessional treatment from the federal government?

**Mr EMERSON:** I am happy to answer that question and I am very happy to talk about the Bruce Highway.

**Ms TRAD:** Does it have 100 per cent concessional treatment?

**Mr EMERSON:** Federal roads traditionally have 50 per cent treatment. Traditionally, they are funded 80 per cent to 20 per cent. They are federal roads. That has been the case for many, many years. Unfortunately, member for South Brisbane, the federal Labor government is trying to change those rules also. We have seen that the federal government is trying to get the state to pay 50 per cent of federal roads from now on. We have seen that already with the Cooroy-Curra section A of the Bruce Highway. We have seen that with the Ipswich Motorway where they are trying to get the state to pay 50 per cent. Let me talk about the Ipswich Motorway because that is a significant project of importance to many people in South-East Queensland. I talk about that growing area—

**Ms TRAD:** I am asking about concessional treatment on the Bruce and I think you have answered it so I will go on to my next question.

**Mr EMERSON:** Can I continue. Kevin Rudd, when he was wanting to be Prime Minister in 2007—Kevin 07—he went out there and claimed that he would pay 100 per cent of the upgrade of the Ipswich Motorway. One of his candidates also talked about that as well—Bernie Ripoll. Mr Ripoll said in a speech to parliament, which I am happy to table—

I stand here very proud today to say that I have achieved full funding for the Ipswich Motorway.

That is what they said before they came to office. When they came to office, instead of paying 100 per cent of that project they were only willing to pay 80 per cent of the project. We can wear that.

That is a traditional funding arrangement for a federal road. It is a federal road—they pay 80 per cent and we pay 20 per cent. Unfortunately, what we have seen with Prime Minister Rudd's sidekick, Anthony Albanese, in the last federal budget is that he wants to change that now. He wants the state to now pay 50 per cent of the Ipswich Motorway and the federal government to pay only 50 per cent. The promise before the election in 2007 was that they would pay 100 per cent and after the election in 2007 it was 80 per cent. In the most recent federal budget it is 50 per cent. We have seen that occurring on the Bruce Highway. The federal government is saying in terms of the Cooroy-Curra section of the Bruce Highway that it will pay just 50 per cent.

As I said earlier, I was very, very pleased to be in Mackay last week with the federal Leader of the Opposition, Tony Abbott, and the Premier, Campbell Newman, to announce the coalition's promise of \$6.7 billion for the Bruce Highway. That is a significant promise for that highway. That highway is the economic lifeline for this state. Sadly, we have also seen the AUSRAP report in today's paper, having been released overnight, showing the poor state of that federal road.

When we came to office, Mr Chair, as you will recall we set up our "*Out of the Crisis*" plan for the Bruce Highway to look at a 10-year plan to deal with flood mitigation, capacity and safety issues on the Bruce Highway, to put a plan in place and say, 'This is the work we need to do.' We also had an election promise to put an extra \$1 billion of state money on top of our business as usual case into the Bruce Highway to try to get it up to speed but only if the federal government matched that on that 80-20 split. So we did that and we released that plan, and we put that plan both to federal Labor and to the federal coalition.

In the federal budget what we saw come back from the federal government was \$4.1 billion for the Bruce Highway over the next 10 years, including \$1.7 billion of money that was already spent on projects underway—old projects, old money. In fact, the \$4.1 billion that Labor was promising was just the business as usual case—nothing more. It was just the business as usual case, including the Cooroy to Curra section A on a 50-50 split—not the 80-20 but the 50-50. That is why I was so pleased to see the coalition promise \$6.7 billion to do a whole raft of projects up and down the coast—on the Sunshine Coast, at Mackay, at Townsville, at Cairns, at Rocky—to fix up that road. So we have a promise of \$6.7 billion in genuine money and also a commitment that the money going forward will be on an 80-20 basis—something we have not seen from federal Labor.

I would urge the Labor members here including you, member for South Brisbane, to talk to your federal colleagues, as I think the Bruce Highway is a road that all Queenslanders should be behind, and urge them to fund that road on an 80-20 basis and all federal roads in Queensland on an 80-20 basis. I do know that the member for Mulgrave very early on—and I know he has talked about this—did make comments that state money being spent on the Bruce Highway is mispending of state money. I do not agree with that. I do not think many members in the Queensland parliament would agree with that.

**Mr PITT:** I have not yet interjected in this committee hearing, but the minister sees fit to attack me on something that he knows is a falsehood and is taken out of context. Again, Minister, we all know what the responsibilities are. We know what the difference is between federal and state controlled roads. I would appreciate it if you would stop propagating the falsehood that you have been doing for so long and dining out on for so long.

**Mr EMERSON:** I take on board what the member for Mulgrave, the shadow minister for roads, has said. I am very happy to cite the article from the *Cairns Post* dated 20 April 2012. I will read the relevant section of that article—

Mulgrave MP Curtis Pitt said the new LNP Government was mis-spending \$1 billion of state money because the Bruce Highway is a federally funded road.

We promised \$1 billion for that road. We promised it.

**Mr PITT:** Is it a direct quote, Minister?

**Mr EMERSON:** It is quoted in the paper.

**Mr PITT:** Is it a direct quote from myself, Minister?

**Mr EMERSON:** No.

**Mr PITT:** Thank you very much. That is all I need to know.

**Mr EMERSON:** Clearly he has not said they have not spoken to him.

**Mr PITT:** Clearly nothing, Minister.

**Mr EMERSON:** He did the interview with them. I read again from the *Cairns Post*—

... mis-spending \$1 billion of state money because the Bruce Highway is a federally funded road.

**Mr PITT:** I have not used the word 'mis-spending'.

**Mr EMERSON:** The reality is that we believe we can fix the Bruce Highway. The Bruce Highway needs to be fixed. Labor's policy—state Labor's policy—is anti Bruce Highway. Can I have permission to table that article?

**CHAIR:** There being no objection, leave is granted. I call the member for Algeester.

**Mr SHORTEN:** Minister, how has the government acted to ease the pending parking issues around the soon-to-be-completed Springfield Central station, and in doing so how will this assist in taking the pressure off the parking situation at Richlands station?

**Mr EMERSON:** Member for Algeester, I am very pleased to talk about this because I think this is a great win for the Richlands station and also the Springfield station. When we came to office the new Richlands to Springfield rail line was underway, and that was begun under the previous government. I am always happy to credit initiatives begun under the previous government. But I had real concerns about the project. The real concern was that we had only 100 car parks at the Springfield Central station. Concerns were raised with me by many people in the community about this when I was in opposition.

One of the most avid people to complain to me about the poor planning of this station and the poor planning of the project was the member for Bundamba. She constantly lobbied the then transport minister, now her Leader of the Opposition, to get more car park spaces there. She would constantly tell me how the Leader of the Opposition when she was transport minister kept rejecting that and said, 'No. We are not going to put more car park spaces at Springfield station.' When I was shadow transport minister she came to me and said, 'This is just crazy. This is just madness. There are concerns that this will be a dud project, that it could be a white elephant if we don't get those extra spaces in there.' But her pleading to her now leader fell on deaf ears. The Leader of the Opposition when transport minister rejected this repeatedly. One hundred car park spaces at Springfield station were clearly inadequate.

When I came to office I had a look at this problem. I know that the member for Bundamba was never a great fan of the Springfield line in the first place. I note that the Ipswich mayor, Paul Pisasale, was quoted in the *Queensland Times* as saying about the member for Bundamba, 'This is the same lady who said a rail line to Springfield would happen over her dead body.' So the member for Bundamba was never a great fan of the line in the first place. But when the line was underway she had concerns it was going to be a white elephant because of the lack of car park spaces.

So when I came into office I went out to Springfield to have a look at the problem and I also contacted Ipswich mayor Paul Pisasale to ask what we could do to work with the local council to get a solution. I am very pleased to say that we have a solution, working in partnership with Mayor Pisasale and the Ipswich City Council. We have put an extra 400 car park spaces at Springfield Central station. I was out at Springfield just the other week and saw the station being built. Sadly, we will not get those parks in time for the opening of the station, but the station is on track. The line is to be opened at the end of this year, but we expect to get those car parks in place early next year. That is a pretty good outcome given that we have come from a standing start, given the intransigence of the previous transport minister and now Leader of the Opposition, who obviously was not a supporter of Springfield and who clearly ignored the member for Bundamba. Ironically, it took an LNP government to fix a problem that a Labor member saw but a Labor transport minister completely and repeatedly refused to deal with.

On the second part of your question, the reality is that we are seeing parking at other stations all around to make up for the lack of car park spaces. My concern had been also that if we just left it as 100 car park spaces at Springfield Central station not only would there not have been many people going to that station but they would still continue to go to other stations, putting pressure on precious car parks spaces at other stations. My hope and my belief is that those extra 400 spaces that we have put in there will make a big difference. Can I say I still have not had a call to say thanks from the member for Bundamba for listening to her concerns when the Leader of the Opposition as then transport minister completely refused to deal with the issue.

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

**Mr GRIMWADE:** Minister, you spoke briefly before about projects on the Bruce Highway and funding that the state government might be committing to that. Can you outline what are the main projects in Queensland that will benefit from this funding?

**Mr EMERSON:** I thank the member for Morayfield. I know that the member, like all members on the LNP side, understands the importance of the Bruce Highway to this state. As I mentioned earlier, there was the AUSRAP report released overnight talking about the standard of that road. Sadly, the RACQ has forecast that, if considerable work is not done on the Bruce Highway over the next decade, there will be between 300 and 400 people killed on the Bruce Highway over the next 10 years. That is why it is so important that this work is done. That is why we as a government have been so strong in trying to do everything we can to support the Bruce Highway.

When I talk about those numbers it is important to remember that the Bruce Highway makes up seven per cent of the national road network but sadly makes up 17 per cent of the road toll on that national network, and that shows the state that the Bruce Highway is in. It is also important to remember that a lot more work has been done on the highway in New South Wales per kilometre than on the Bruce Highway. It is time for Queensland to have its turn. That is why, again, I stress how important it was to hear that announcement from the coalition last week of \$6.7 billion.

Let me talk about some of the Bruce Highway projects up and down the coast that we are looking to do as part of our plan and particularly some of the projects that we will see happen with that 80-20 funding after last week's announcement from the coalition—that genuine partnership on a federal road between a potential federal coalition government, a Tony Abbott-led government, and the Queensland LNP government. In fact, let's talk about the Gateway north upgrade, which is the one before the Bruce Highway, because a lot of people travelling north to the Bruce Highway or coming south will use that section of the road. We all know those challenges there particularly between Banyo and the Deagon deviation. I think many of us have been caught up in that in the past. Again, we had that promise, the announcement last week, of \$1 billion from the coalition for that road. Again, the contrast is so clear because the Labor Party is only promising just over \$700 million for that road. Again, that is another example of a federal road with 50-50 funding. It is another example of changing the rules, changing the goal posts, and wanting the state government to pay for their short changing of Queensland. But from a coalition government there is a promise of \$1 billion to help fund that section of the Gateway.

Heading up north to the Sunshine Coast, stages 1 and 2 of the Caloundra Road to Sunshine Coast Motorway upgrade are included in this plan. I know many of our members on the Sunshine Coast have spoken about this. It is an important project. It is included in the plan released last week in terms of funding. Going further north, Cooroy to Curra section B has been completed. Cooroy to Curra section A is underway. But this plan includes Cooroy to Curra section C as well. Again, many people know David Gibson up in that part of the world, and he will be very pleased to see that as part of that plan.

Moving further north, we have the Yeppen flood plain. I remember being up there during the floods associated with Cyclone Oswald, looking at it and talking with local members about that issue. Again, it is included in this plan. The Mackay ring-road, again, is in this plan. That is a great result. That is why we were up in Mackay the other day. I know the locals up there were very excited by this. The ring-road at Townsville, going further north, and a new entry way into Cairns are included in the plan.

Up and down the coast there is project after project after project. It is so important. As I said on the day, this is an incredible announcement for Queensland—\$6.7 billion from a federal coalition government to get some real work done. It was very pleasing to see Michael Roth from the RACQ come out on that day to applaud the announcement by the federal coalition—a genuine commitment to the Bruce Highway.

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

**Mr SHORTEN:** Minister, could you please provide us with an overview of QTRIP and how it compares to previous years plans?

**Mr EMERSON:** I thank the member for Algeester for the question. QTRIP is one of the most important documents we see as part of Transport and Main Roads. It details in the out years with projects we want to do. When we came to office, and I am sure the member for Algeester will recall this, one of the challenges we faced was there was about \$400 million worth of projects mentioned in the previous Labor government's plan for QTRIP which were basically unfunded. There was no money for them. They were not going to put them on the credit card. They were not going to go down

to Cash Converters and get a few extra dollars. The reality is they were illusionary. They had no money for these. That was one of the disgraces of Labor's QTRIP plan: they put up projects and built up the expectation of local communities but when we uncovered what they had done there was no funding for them.

One of the things we have tried to do in the QTRIP plan going forward was to try to keep it in place, and we have achieved that. You have to understand, as I am sure members would understand, that this year Cyclone Oswald had a massive impact on our roads system. In fact, about 5,000 kilometres of our state road system was impacted by Cyclone Oswald. The cost is about \$900 million to repair those roads, but I am very pleased to say that we have been able to keep our QTRIP plan in place going forward.

In terms of the overall numbers for QTRIP, over the next two years it contains \$10.3 billion worth of projects. Labor in its corresponding plan for the next two years was going to spend \$2 billion less. Our QTRIP program is \$10.3 billion—\$2 billion more than what Labor had in its plan. If I had another two hours, I could go through our QTRIP program, which is a lengthy document, and talk about all the projects in it. I am proud of this document, because even with Cyclone Oswald we are going to keep a strong program in place with projects that will help Queensland and give certainty to Queensland even with the challenges created by Cyclone Oswald in January this year.

**Mr PITT:** Minister, welcome. I refer to the promise made during the election by the LNP that you would spend an additional \$1 billion over 10 years on the Bruce Highway. Can you confirm how much additional funding the Queensland government committed in this year's budget for the Bruce Highway over the next four years? Can you give me the year by year breakdown of that funding?

**Mr EMERSON:** This year our base funding for the Bruce Highway is \$153 million. That is outside NDRRA funding. I know that will increase the amount of money that is going in from the state, but that \$153 million is our base funding. In terms of the billion-dollar promise—and I have spoken about this already—it was based on the federal government—at the moment it is Labor; it may be the coalition after the election—putting additional money into the Bruce Highway.

**Mr PITT:** So there was an asterisk to the commitment?

**Mr EMERSON:** No, we made it very clear. In that *Cairns Post* article you referred to our billion-dollar promise of matching funding.

**Mr PITT:** Correct.

**Mr EMERSON:** If the federal government puts in additional money above its base funding, we will put additional money in as well. As I mentioned earlier, what we saw from federal Labor in its budget was business as usual—\$4.1 billion over the next 10 years; a business as usual case. In fact, \$1.7 billion was for projects underway—old money. They have not triggered our extra money, but the money is there in the budget waiting to be spent. Over the forward years in the budget there is \$340 million waiting to be spent over those years, \$10 million this year and all the rest going forward in those years. Money is there waiting.

That is why I was so pleased to see that announcement last week, member for Mulgrave. Despite your comments in the *Cairns Post*, I know in your heart of hearts you would be backing the Bruce Highway. Surely you would be backing it. I cannot believe that you would not be pleased with a promise of \$6.7 billion from the coalition for the Bruce Highway, because I know that many constituents in your area use the Bruce Highway. I understand how important it is for them. That billion dollars is there and it will be triggered by the promise from the federal coalition. In terms of the promise by the federal government, it is business as usual. They have not done what we asked. This is what I find quite amazing about this, including the misleading statements you see from Minister Albanese. He comes out with a great razzle-dazzle and says, 'Here's \$4.1 billion for the Bruce Highway. Give us all your money.' It is business as usual. Once again, you do not see the extra money. He just wants to keep doing what they have been doing. We were very clear—and I do not think anyone in parliament could have misunderstood what we were talking about. I do not think anyone in the community misunderstood what we were talking about. Here was a federal road. It is traditionally an 80-20 federal split. We said, 'We will keep doing our business as usual case, but here is \$1 billion on the table. We want the federal government, Labor or the coalition, to come to the party to back the Bruce, to put their additional money on the table and we will do the same.'

**Mr PITT:** Minister, to clarify, we have heard you talk about base funding a fair bit. I refer to the media statement by the Deputy Premier on 24 April when he dismissed increased federal funds for the Bruce Highway as merely base funding. How much of your billion-dollar investment—what you

call baseline funding—is coming from the Commonwealth and can you please break that down year by year?

**Mr EMERSON:** I think I cited a figure. This year we are putting \$153 million into the Bruce Highway. That is outside NDRRA because obviously we put more money in as part of NDRRA as well. In terms of that \$153 million, that is more than 20 per cent of the Bruce Highway. I am happy to get the figure for what the remainder is from the federal government.

**Mr PITT:** That would be appreciated.

**Mr EMERSON:** I am happy to do that, but the reality is that there is \$153 million from us—more than 20 per cent on the Bruce Highway—and that is excluding NDRRA funding. We are committed as a government. I do not think there has ever been a state government in the history of Queensland that has been more committed to the Bruce Highway than the Newman LNP government. We drew up a 10-year plan on flood mitigation, capacity issues and safety issues. We put that \$1 billion on the table. We kept funding our base funding—\$153 million, more than 20 per cent and excluding NDRRA. Last week we finally saw the federal coalition and a Tony Abbott-led government say that it would provide \$6.7 billion for the Bruce Highway. It is a massive commitment to the Bruce Highway. It will see so many projects fixed on the Bruce Highway. I say again, member for Mulgrave, I know in your heart of hearts you must have been cheering when you heard Tony Abbott make that promise.

**Mr PITT:** Minister, can you confirm that the \$8.5 billion, the 80-20 split funding announcement which was made recently by the Premier and the federal opposition leader, is in addition to those figures we talked about earlier? Is it on top of base funding?

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

**Mr PITT:** So it is all new funding?

**Mr EMERSON:** Let me go through it again. The promise by Tony Abbott was \$6.7 billion. As was made very clear in the meeting on the day, at the press conference and in the releases put out as part of it, \$4.1 billion was being promised by the federal government and then there was the additional money coming on top of that.

**Mr PITT:** So \$6.7 billion is on top of the money that is already there; is that what you are saying?

**Mr EMERSON:** No.

**Mr PITT:** So it is not \$6.7 billion of new money.

**Mr EMERSON:** It is a promise of \$6.7 billion—

**Mr PITT:** How much of it is base funding?

**Mr EMERSON:** There is funding there from the federal government's promise and they put on top additional money taking it up to \$6.7 billion, so \$2.6 billion of additional money. As the RACQ said on the day, there is a big difference between \$6.7 billion and \$4.1 billion. I am sure the shadow Treasurer can do the numbers. For Queenslanders who rely on the Bruce Highway, I think they can work out, as I think all Queenslanders can, that \$6.7 billion is a lot more than \$4.1 billion.

**Mr PITT:** Minister, I think you referred earlier to the Prime Minister as being all talk and no action. It is something I have heard applied to some of the commitments made by your government, quite frankly.

**Mr EMERSON:** I am glad to see you endorse my comments about Kevin Rudd.

**Mr PITT:** Minister, you are trying to put words in my mouth as you usually do and again you are failing in your attempt. Minister, it seems that again it is about talking big but not delivering from your perspective. Will the government put in an additional \$1.8 billion to meet its 20 per cent commitment which is obviously what would be in line in terms of the Abbott government's commitment? Where is that money coming from? Can you point to where that is going to be in the forward estimates? Can you confirm this money will be on top of the money already allocated in your current budget?

**Mr EMERSON:** In the forward estimates there is \$340 million already in the budget.

**Mr PITT:** We are talking about \$1.8 billion.

**Mr EMERSON:** Look, I know that you struggle with the budget, member for Mulgrave.

**Mr PITT:** No, I do not struggle with the budget, Minister. I am asking you a direct question.

**Mr EMERSON:** Member for Mulgrave, you do struggle with the budget; I know.

**Mr PITT:** Mr Chair, I did not come to the committee to be verballed by the minister today and I would appreciate it if he would just address the questions as asked.

**CHAIR:** Address the question, Minister.

**Mr EMERSON:** In the forward estimates, which is what the budget covers, the money is there. For the years that is required there is \$340 million in additional money on top of what we would normally be spending on the Bruce Highway. There it is in the budget. The reality is that we are a government that is committed to the Bruce Highway. Labor's policy is to spend no money on the Bruce Highway because they believe state money being spent on the Bruce Highway is misspending on—

**Mr PITT:** No, again you are trying to suggest that I have used the word 'misspending' and that is something that features in an article. Minister, I think you really have to have a look at the way you are trying to represent things.

**Mr EMERSON:** Again, I quote the article in the *Cairns Post* from April 2012 where they say the member for Mulgrave, Curtis Pitt, said that state money being spent on the Bruce Highway was misspending because it is a federal road.

**Mr PITT:** That is completely out of context as usual, Minister.

**Mr EMERSON:** I have not seen any retraction from the *Cairns Post* about that. I do not know if you wrote to the *Cairns Post* asking them to retract it.

**Mr PITT:** Unlike you, I do not have a glass jaw, Minister.

**Mr EMERSON:** Member for Mulgrave, you are clearly concerned about the article and what they wrote.

**Mr PITT:** No, I am concerned about your comments, Minister. Again, they are misrepresentations.

**Mr EMERSON:** I am only quoting from the article on the Bruce Highway. I know it is a sensitive point for you—

**Mr PITT:** No, it is not a sensitive point. The facts would be appreciated.

**Mr EMERSON:** The Bruce Highway is important to nearly all Queenslanders. It is important to most Queenslanders—I assume 99.999 per cent of them—but clearly the Bruce Highway is not important to state Labor because they are not willing to commit to the Bruce Highway. They believe that spending state money on federal roads is misspending. I do not agree with that. The Newman LNP government is committed to the Bruce Highway. Labor's policy clearly is anti Bruce Highway.

**Mr PITT:** I have one last question before we move on if that is okay.

**CHAIR:** We will move on to the next bracket, sorry. One of the Newman government's priorities is to grow agriculture. The 2013-14 budget highlights includes supporting agriculture as one of the four pillars. Minister, can you outline the work being done to enhance appropriate rail access for the transport of grain, cattle and processing and export?

**Mr EMERSON:** Thank you for the question, Mr Chair. I know this is an issue that is very important to you and close to your heart as well. I know we have spoken about this since I became the minister. The LNP government is very much committed to agriculture, as you know. Transport and Main Roads and I, in particular, as the transport minister, are very committed in terms of our freight task. Just a couple of weeks ago we released our draft freight strategy which detailed the task that faces us over the next 10 years. Freight movements across Queensland will increase by an estimated 77 per cent over the next 10 years. We have to make sure we have a strategy in place to deal with that. In fact, I had a round table of many industry leaders last week to talk about that draft strategy and get their feedback. I always believe that a draft is a draft. It is not written in stone. It is important to get feedback so we can develop an important policy that will deal with that task ahead. One of the things we particularly highlighted in that draft strategy is a desire to get more freight onto rail, particularly to get more non-mining freight onto rail.

Even before we released that freight strategy we made some important progress on that, particularly working with my colleague the Minister for Agriculture, the member for Toowoomba South, John McVeigh. We have regular meetings to talk about how we can move this forward. I know that the Premier is also very determined to get more freight onto rail.

We have renegotiated to some extent our contract with Aurizon as part of that. That contract was signed by the previous government when they sold off QR National, which is now Aurizon. Our

hands are to some extent tied: that contract is in place until 2015. But we have been able to pull back some money on that and get some extra initiatives in place. Some of that money we have put to announcing extra passing loops on the West Moreton line out at Toowoomba. I was very pleased to be out there to announce that with John McVeigh and the member for Toowoomba North, Trevor Watts. I know that the local community is very pleased about that also, because it will potentially take more trucks off their roads. We also hope to see more movements of grain and cotton—not just from Queensland but also from across the border in New South Wales—with those extra passing loops. It will cost up to \$50 million to do those passing loops, but it is a great outcome on that line.

I will outline some of the other changes we have made. As part of the previous contract there were guaranteed paths for cattle trains—in the high 200s. We have increased that by 48, to take the total into the 300s as part of that deal. Also, guaranteed trial routes have become permanent routes coming out of Cloncurry and Winton for cattle. They are some of the initiatives we have already put in place. We want to do more, because we are strongly committed to getting more freight onto rail and to get more non-mining freight onto rail. We do see that as the way to go forward.

Having said that, of course we strongly support our road trucking industry. I meet regularly with the QTA and other livestock and road transport organisations. I was very pleased to speak at their annual conference. I am sure I will be going to their annual dinner this year. I am sure I will see the member for South Brisbane at the Queensland Trucking Association annual dinner this year. They host a great event. The road trucking industry carries out a great task. The reality is, as they say to me, every time a train drops something off, a truck has to pick it up and take it somewhere. It is about working together but getting a better outcome for Queensland. I stress again how important rail freight is to us and how important it is to get agricultural freight onto rail.

**Mr WOODFORTH:** My first question is to the director-general. Page 33 of the SDS talks about the recent 2012 floods. Can you provide an outline of the department's response to the event, particularly in Bundaberg, which was particularly hit hard?

**Mr Scales:** I thank the member for the question. The flood event of TC Oswald was particularly difficult for us. Unlike the event of 2010-11, this was like a high-pressure hose with rocks in it had been directed against some of our infrastructure. Over the three-day event we had 450 millimetres of rain in Bundaberg.

I was in the state disaster management centre, along with the minister and others. We made sure we restored our infrastructure as quickly as we possibly could. A good example is the Don Tallon Bridge, which had the bridge abutment in the centre of the city wrecked, so it could not be used. We were able to change the permit system so we could move large concrete blocks there. So we have made the thing more resilient. We had the good officers of the Australian Defence Force put a long girder bridge across there. They had that in place in only two or three days, by which time we got up to bridge deck level and restored that.

There were 35 landslips along the Burnett Highway between Rockhampton and Mount Morgan. For the record, Mount Morgan range is the only piece of our infrastructure that is not passable now. It had 21 separate landslips. TMR worked really closely and in coordination with the State Disaster Coordination Centre, who had people on the ground. We visited Bundaberg because they had about 100 vessels stranded. So we deployed a couple of our staff to make sure those vessels were recovered in the best possible way.

Our Traffic and Travel Information service—131940—had over 261,000 calls. We took over 26,000 phone calls as well. We liaised with the transport and logistics sector to make sure our colleagues in that industry could get food and stuff through. So we opened things as best we possibly could. I am still in contact with the mayor of Bundaberg to ensure the resilience work we put in place continues. We have a 24/7 watch for disruptive events going forward. I was very pleased with the way TMR staff responded. They also acted very well with the local members and the local council. The minister and I visited very soon after the event and were able to see things firsthand. I do not think there is any substitute for seeing things firsthand. I was quite shocked, actually, being in Kedron, in the state disaster management centre, to watch the floodwaters increase. I was able to see the ADF deployed with helicopters to remove people.

It was a great team effort. It was not just TMR; it was a team effort operating across the agencies and also with the local council. In Bundaberg itself I think the river had a record height of 9.53 metres. We had never seen that before. It was a really odd and difficult weather event, and then six weeks later we had another weather event which caused some problems. We were able to react

to that as well. All in all, I was very proud of my people who did that work and very proud of my department.

**Mr WOODFORTH:** Minister, I note on page 38 of the Service Delivery Statement that RoadTek ceased competitive tendering, particularly in South-East Queensland. Can you outline what the reaction from the industry has been since the change of policy and how this is expected to save the taxpayer money?

**Mr EMERSON:** Thank you, member for Nudgee. It is great to see you here today. I am glad to see you have not been taken away by one of those crocodiles at Geebung.

**Mr WOODFORTH:** Not as yet. It is only early.

**Mr EMERSON:** Keep watching out. That was a great announcement out there. It is exciting for Queensland to see those 50-million-year-old crocodile fossils and other fossils uncovered at the site of the overpass construction at Robinson Road—a much needed project but a surprising discovery.

In terms of RoadTek, shortly after coming to office we did make an announcement that RoadTek would no longer be tendering in the south-east corner. There was a reason for that. That is, in my view we already had a fully contested private market that was quite capable of doing that job. One of the announcements, of course, was that RoadTek would continue to have a presence in rural and regional Queensland and would continue to have a capacity to deal with natural disaster. But in South-East Queensland there were a lot of construction companies out there keen for work.

There was also concern raised with me about the cost of delivering road projects in Queensland. When I had a look at the ABS figures I saw that over a 10-year period the growth in the cost of delivering roads and bridges in Queensland had outpaced the rest of Australia. I think from memory the figures showed a 78 or 79 per cent increase over 10 years in Queensland compared to an increase in the 60s for the rest of Australia. That concerned me, because we always want to make sure that taxpayers' dollars are spent wisely and that we are getting the best value for money. So I made the announcement about moving RoadTek out of South-East Queensland. We are hoping, of course, to drive down costs as part of that initiative. As you know, construction is one of the four pillars, and we want to support it.

To come back to your question specifically, the announcement was widely welcomed and strongly supported by industry and business, who could see the logic of what we are doing. I am happy to report that contracts for term maintenance in South-East Queensland are currently being put to market. They are worth about \$150 million over the next five years. That is a great result, again. As you know, given the challenges we are all facing in terms of the mining sector, the industry is important for us. We have not put all of our eggs in one basket, unlike the previous government. We are spreading things around. I spoke about this earlier in response to a question from the chair about agriculture and freight. We are working to try to support all industries there. This has been an important initiative and a great support and boost for the construction industry. The feedback has been universal in supporting this.

**Ms TRAD:** Can I ask Mr Jim Benstead, Acting Chief Executive Officer for the Queensland Rail Transit Authority, to come to the table? Mr Benstead, can you confirm that there is currently a review of stations across South-East Queensland?

**Mr Benstead:** Thank you for the question. We are constantly reviewing everything within Queensland Rail to ensure we deliver an efficient and effective service through to the taxpayers of Queensland—our owners—to ensure we offer value for money through to the state. Yes, a review of stations is taking place, particularly when it comes to the recently opened stations, where we had to go through a trial process to see what sort of staffing we need at those particular stations. I refer particularly to Varsity Lakes and through to Richlands station.

**Ms TRAD:** So what is the purpose of the review? Is it about the staffing structure at those stations?

**Mr Benstead:** It is to ensure that we have the appropriate staff to meet the customers' requirements at those stations.

**Ms TRAD:** Is the authority looking at decreasing hours during the night shifts and also on weekends?

**Mr Benstead:** We are reviewing all of the hours that are worked by the staff at those stations to ensure we provide the appropriate services through to our customers.

**Ms TRAD:** Are customers being consulted in this review?

**Mr Benstead:** I am unaware if customers directly are being consulted at this time.

**Ms TRAD:** Mr Benstead, as you can understand, safety issues at night and on weekends are paramount issues for rail commuters. Consulting them in relation to the adequacy of staffing during those hours I assume would be a normal course of action for the organisation, particularly during the review process.

**Mr Benstead:** Thank you for the question. I am unaware, as I said, if any consultation has taken place directly with customers at this time. I do know, though, that we do take safety and security seriously and that we involve our security services—that is internally and externally—to determine the best way of securing those stations.

**Ms TRAD:** And when will the review be finalised?

**Mr Benstead:** I do not know the answer to that question. I can come back to you on that. My advice is that the review should be completed by the end of next month, so the end of August 2013.

**Ms TRAD:** Mr Benstead, recently Queensland Rail staff were given go cards as opposed to using their staff identification cards to access trips on Queensland Rail. Can you advise how many of the 176 million trips last year were staff trips?

**Mr Benstead:** Thank you for the question. I do not have the answer to that. It is very difficult to determine how many of those trips were staff trips, because we do not count them. That is one of the reasons we would like to move to a system that allows us to count the trips by staff.

**Ms TRAD:** So Mr Benstead, when you issue the go cards to staff, do you count how many go cards you issue to Queensland Rail staff?

**Mr Benstead:** Thank you for the question. There is a trial process that we need to go through to ensure, firstly, that it works. That trial process is just commencing right now, as we speak. There have been only a very small number of cards issued so far. Yes, we will keep a record of how many cards are presented through to the staff of Queensland Rail and, yes, we will keep records in relation to the number of trips that are taken by those staff. I must say, that is not through Queensland Rail; that is through the TransLink division of the department.

**Ms TRAD:** You said that the trial process has just commenced?

**Mr Benstead:** It is just commencing right now. There is a small selection of the management team that we will be using for that trial process.

**Ms TRAD:** So not station staff?

**Mr Benstead:** For the trial process no station staff yet have been allocated go cards, to the best of my knowledge.

**Ms TRAD:** And when does the trial conclude?

**Mr Benstead:** Again, I do not have the detail. I do not think it is in this folder but I can get that information through to you. We do want to run a trial with our senior management team—so that is the executives and the general managers—for a period of time to ensure we iron out any bugs, to ensure the service that is provided using the go card system is accurate and works.

**CHAIR:** Thank you, Minister. The committee will now take a short break of 30 minutes. The hearing will resume its examination of the estimates for the Minister for Transport at 11 am.

**Proceedings suspended from 10.30 am to 10.58 am**

**CHAIR:** The estimates hearing of the Transport, Housing and Local Government Committee is now resumed. The committee has given leave to a non-committee member to participate in the hearing today, and I welcome Miss Verity Barton, member for Broadwater.

**Miss BARTON:** I just had a question for the Minister for Transport and Main Roads. I was wondering if you could please detail the Newman government's commitment to marine infrastructure and services on the Gold Coast.

**Mr EMERSON:** Thank you, member, I do appreciate that. I know that as the member for Broadwater you are very much aware of the importance of those issues. One of our election promises, as you would be very much aware, is the establishment of the Gold Coast Waterways Authority. This is an important election commitment because it is about giving locals on the Gold Coast a greater say over their own local waterways. That has been an important result. I was very pleased when the former Gold Coast Mayor Gary Baidon agreed to chair the Gold Coast

Waterways Authority with the new CEO Hal Morris. They have made a commitment to listen to what locals on the Gold Coast want and they are committed to delivering on that.

The Gold Coast Waterways Authority has been given \$30 million. It is developing a 10-year management plan for the Gold Coast. The bottom line, member for Broadwater—and I know that this is what you would like to see happen—is that locals have a say in, and control over, their own waterways. Rather than being directed from George Street, the chair of the Gold Coast Waterways Authority, Gary Baildon, is someone who is well respected and known on the Gold Coast and he will help to ensure that the local community is in charge of its own local waterways.

**Miss BARTON:** Mr Chair, if I might be able to call the CEO of the Gold Coast Waterways Authority, please. I was just wondering if you could please advise the committee what work the authority has done in the Broadwater since its establishment?

**Mr Morris:** Thank you for the question. A number of dredging programs have occurred in the last 12 months. The authority was established on 1 December, so some of these programs started before that time and they have been completed since. That includes dredging in the Gold Coast Seaway, which was completed in December last year at a cost of \$3.5 million, and also boating facilities and ramps at the Paradise Point area. We have completed \$2.5 million of dredging in the Coomera River which is an important access point not only for recreation, but to the Coomera Marine Precinct. We are also about halfway through a \$1.5 million project which is in three parts involving access through to the seaway.

**Miss BARTON:** Could you also please advise us on the progress of the management strategy?

**Mr Morris:** There are two requirements under the act, and one is to complete a 10-year strategy, as the minister just mentioned, and have it delivered to the minister for endorsement by 1 December. We have completed a first consultation draft; that is currently with the minister for his review. That will then be subject to a period of consultation with the public to make sure that it is, as the minister suggested, something that is being driven by Gold Coast residents and priorities locally. That is the strategy, and that will be ready for consideration on 1 December.

We are also required to provide the minister with a four-year works program. That went to the minister late last month on 27 June. That proposes the expenditure across dredging programs, across navigation aid programs and also the boating facilities, boat ramps, pontoons and so on.

**Miss BARTON:** Could you also advise the committee of the efforts of the Gold Coast Waterways Authority to cut red tape?

**Mr Morris:** Since I was appointed last month, I have initiated a number of activities to look at things such as the way that vessels are moored and the way that speed limits are set. It is early days yet, but those processes have started. No decisions have been made. But in terms of cutting red tape, one of the things that the establishment of the Gold Coast Waterways Authority has done is, as the minister said, returned the decision making on a shorter time frame. The minister has made it clear to my chairman and me that we have a high level of autonomy. We are led by a board made up of seven local community leaders from the Gold Coast. I myself went to school on the Gold Coast and grew up there, so there is that local presence. In addition to that, we do have that autonomy. The chairman and I have been very active in meeting with local political and community leaders, stakeholders and so on. The intention is that the priorities be driven by the Gold Coast.

**Miss BARTON:** I was just wondering if you could please explain how the Gold Coast Waterways Authority is working with the Gold Coast City Council to improve the usability and accessibility of the Broadwater and also its shoreline open spaces?

**Mr Morris:** We have got some specific projects to do that, but in general terms the arrangement with the Gold Coast City Council for some time has been that we provide sand to the council at no charge. For example, in the last 12 months we have provided some 250,000 cubic metres of sand out of our dredging program which has been stockpiled and provided to council for whatever uses, including beach replenishment. The council pays the transport costs from where the sand is dropped to the beach. We also have dredging programs such as the program that is just about to commence in the Labrador channel. That will provide sand for the reclamation of land and the provision of boat ramps—there will be a four-lane boat ramp—and also a pontoon. The boat ramp had to be replaced because the existing one was pulled down due to the Commonwealth Games. So it is no longer available, and that will provide a new facility. The cost of the state government contribution to the new facility is \$3.97 million.

**Miss BARTON:** Thank you very much, Mr Morris. Thank you, Chair, and the committee for your indulgence.

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

**Mr GRIMWADE:** Minister, on page 3 of the SDS it talks about the restructure of Queensland Rail to improve the management of the organisation. Graffiti management will be part of this, so could you please advise the committee of any initiatives to deal with this matter?

**Mr EMERSON:** I thank the member for Morayfield for the question. Graffiti is an ongoing issue. I think it is an ongoing battle. Anyone who has been a local councillor or state government member understands the scourge of graffiti and the blight that it is on our communities. The cost of monitoring and cleaning up after these graffiti grubs is about \$5 million a year for Queensland taxpayers. So far this year we have had about 1,000 charges laid as a result of people being caught and charged with offences relating to graffiti and vandalism.

I am very pleased to announce today that we have a new weapon in our arsenal to fight graffiti on the Gold Coast-Beenleigh line. This is new technology involving infrared and heat-sensing technology. It is basically creating a virtual fence. As one of these grubs come in and try to attack our Queensland Rail rolling stock, the sensor will pick them up. The first they will know they have been detected is when the police turn up to capture them. We rolled this out on the Gold Coast-Beenleigh line last month, and already we have four charges in place as part of it.

People are targeting Queensland Rail rolling stock and assets. In fact, we have seen some examples where people have travelled from as far as Victoria for the purpose of graffitiing our Queensland trains. That is why it is well worth it to put this new technology in place. We hope to roll it out in other parts of the network moving forward. But as I said, it is costing us \$5 million at the moment. The area that we have to clean up is massive, so we are very much determined and dedicated to dealing with this problem. I do not claim that in the end, despite everything we do, there will not be someone out there doing the wrong thing. But I am sick and tired of these graffiti grubs causing such problems on our network, and that is why I am so pleased to see this new weapon in our fight against graffiti vandals that we have rolled out, and I am very happy to announce that today.

**CHAIR:** It is nice to know that our trains are appreciated. I call the member for South Brisbane.

**Ms TRAD:** My question is directed to the director-general, Mr Scales. Mr Scales, can you confirm that the current chair of Queensland Rail is being considered for the CEO position of Queensland Rail, Mr Glen Dawe?

**Mr Scales:** Thank you for the question. I am not involved in that process, so I have no idea what the process is, how it operates or anything.

**Ms TRAD:** So you have no idea about the appointment of the chair of Queensland Rail?

**Mr Scales:** No, I am not involved in the process.

**Ms TRAD:** Minister, can you confirm that the current chair of Queensland Rail is being considered for the CEO position of Queensland Rail?

**Mr EMERSON:** No, the current chair is not. The current chair has resigned. We have an acting chair in place.

**Ms TRAD:** So the current chair has not stood aside pending an investigation into bullying claims made by a staff member?

**Mr EMERSON:** No.

**Ms TRAD:** He has not?

**Mr EMERSON:** No. He has resigned, so the current chair is vacant at the moment. There is an acting chair in place.

**Ms TRAD:** So is the former chair of Queensland Rail being considered for appointment?

**Mr EMERSON:** I believe he is, yes.

**Ms TRAD:** Have you made any representations in relation to his appointment as CEO of Queensland Rail?

**Mr EMERSON:** There is a process in place to appoint him. There is a committee being set up involving a panel to look at that. That process is underway. I am not on that panel.

**Ms TRAD:** Have you made any recommendations or are you supportive of Mr Dawe's appointment as CEO of Queensland Rail?

**Mr EMERSON:** I am supportive of the process going forward and the panel examining candidates.

**Ms TRAD:** Are you aware of any bullying claims which have been lodged against Mr Dawe by a former staff member?

**Mr EMERSON:** I am not aware of any claims that are underway or any claims that have been found to be the case against Mr Dawe. As I said, Mr Dawe was the former chair; he is no longer the chair at the moment. But as I said, I am not aware of any case that has been found against Mr Dawe on those matters at all.

**Ms TRAD:** Are you supportive of Mr Dawe taking over as CEO of Queensland Rail?

**Mr EMERSON:** I am supportive of the panel doing its work, putting a process in place and making recommendations to us, and we will consider those recommendations.

**Ms TRAD:** Have you had any discussions with anyone in relation to Mr Dawe's appointment as CEO of Queensland Rail?

**Mr EMERSON:** Look, I talk about the appointment of the CEO. It has been a topic for some time for us in terms of the CEO. Can I say that we want to make sure that Queensland Rail is run in the most efficient and effective way possible.

**Ms TRAD:** Minister, why did Mr Dawe resign as chair of Queensland Rail?

**Mr EMERSON:** He resigned because he was running for the CEO position, and so it was quite appropriate for him to resign as chairman while running for the CEO.

**Ms TRAD:** When did this happen?

**Mr EMERSON:** I am happy to get a date for you. I do not have it on me at the moment, but I am happy to get a date for you.

**Ms TRAD:** Minister, how much has it cost Queensland taxpayers for Mr Dawe to privately tour the Queensland Rail network?

**Mr EMERSON:** I do not have that figure before me, but I am happy to get it for you.

**Ms TRAD:** Are you happy to take it on notice and provide it to the committee?

**Mr EMERSON:** Sure.

**Ms TRAD:** But you can confirm that Mr Dawe actually did have a private tour of the Queensland network?

**Mr EMERSON:** The man was the chairman of Queensland Rail. I would expect that one of his tasks out there is actually to keep travelling around to inspect Queensland Rail to try to make improvements. In fact, can I say that during the time that Mr Dawe was chairman we saw noticeable improvements in Queensland Rail. One of them I will point to, member for South Brisbane, is when your leader was the transport minister we had a three-year low in terms of rail reliability. Over the time that Mr Dawe was chair and since then we have achieved an eight-year high in terms of rail reliability. Under Labor we saw a three-year low; under the LNP we have seen an eight-year high in terms of rail reliability.

It is very important that we try and get people back onto public transport. As you know, we have had this challenge of patronage. Patronage is one of the biggest challenges that we face. I think most of it is driven by affordability. We are still trying to combat the legacy of Labor's massive fare increases, and I think that is still having a flow-on effect for patronage. But one of those other things is reliability, and that is why we have worked to improve reliability. That is why when we first came in we did an investigation into maintenance and reliability to see if we can improve it. That is why I am so pleased to say that since we have come to office we have achieved an eight-year high in terms of rail reliability—

**Ms TRAD:** And a five-year low in terms of patronage.

**Mr EMERSON:** I am glad you raised it again. Let me talk about that. As I said a moment ago, we are still struggling with the massive fare increases we saw under Labor. That was Labor's only policy on public transport: to increase fares every year by 15 per cent. That was their sole policy. The reality is that if Labor was still in power, fares would still be a lot higher. In fact, if someone was travelling from the member for South Brisbane's electorate to the city on a Monday-to-Friday basis,

this year if Labor was in power they would pay \$200 more per year. If they were travelling from my electorate, they would be paying more than \$300 more a year. If you are a Monday-to-Friday commuter travelling from the Sunshine Coast to Brisbane, if Labor was still in power you would be paying \$1,000 more every year for your public transport fares.

That was Labor's policy and that continues to be Labor's policy. We have worked to deal with affordability. We kept to our election promise of halving Labor's planned fare increases from their 15 per cent. We have halved that. We have put in our very successful free trips after nine journeys policy, and I was very pleased to announce in our budget that from the beginning of 2014 we are moving forward the off-peak discount time from nine o'clock to 8.30. I would like to do more. Those initiatives that I have mentioned that we have already put in place have forced us to find savings of \$200 million to be able to afford them from what Labor was planning to do. We want to do more, but we have to find savings to do that. Again, member for South Brisbane, if Labor was still in power people would be paying a lot more for public transport. But I think people still feel that public transport is not as affordable as they would like. We have been dealing with those affordability issues. There is no magic wand. We have to deal with the mess that Labor has created, and we are working towards that.

**Ms TRAD:** So, Minister, you will take on notice how much it cost for Mr Dawe to have a privately funded tour around the network and provide it to the committee?

**Mr EMERSON:** I again say that I am happy to provide that, member for South Brisbane.

**Ms TRAD:** Thank you.

**Mr EMERSON:** But again I stress: I want my chairman to be out there inspecting Queensland Rail. I want him to be going around the network having a look at that—

**Ms TRAD:** Yes, but rather than just what normal, ordinary passengers do, he did have a private trip.

**Mr EMERSON:** Let me stress again—

**Ms TRAD:** Minister, just in relation—

**Mr EMERSON:** Can we finish off this please, Mr Chair?

**Ms TRAD:**—to page 16 of the SDS—

**Mr EMERSON:** Mr Chair?

**CHAIR:** Yes, please.

**Mr EMERSON:** Can I say I want my chairman being out there inspecting Queensland Rail. I do not want to be a hands-off minister. I do not want to be like the former transport minister, who has admitted that she was a lazy minister and that she did not look after Queensland Rail.

**Ms TRAD:** Mr Chair, that is quite offensive. He is misleading the committee and that is offensive and he should withdraw it.

**Mr EMERSON:** I do not want to be like the former transport minister before the last one who admitted in her quarterly essay article that she had no control over Queensland Rail and could not get it to do anything. That is Labor's way. I want my chairman to be out there inspecting. Surely that is part of his job—

**Ms TRAD:** Well, he is not your chairman anymore.

**Mr EMERSON:**—to be inspecting his network.

**CHAIR:** Thank you, Minister.

**Ms TRAD:** Minister, I turn to page 16 of the SDS, and you do have control over patronage figures because you have just admitted that you want to have control over the system. So can you explain to the committee why under your control patronage could not even reach the target that you set—5.4 million trips less than what you had set for yourself as a target? Can you explain this complete and utter failure in patronage?

**Mr EMERSON:** Thank you, member for South Brisbane. Let us just wind back—

**Ms TRAD:** Five-year low.

**Mr EMERSON:**—five minutes ago. I just answered your question. I am sorry to anticipate that question. I guess maybe you got your dorothy dixer mixed up with the LNP members. I just answered that question before, but I am happy to go through and tell you about that tale of woe of Labor. But let

me start off by giving this firm commitment: we will not be going back to the bad old days of 15 per cent increases under Labor, because that was Labor's policy. The reality is that affordability has a massive impact on patronage. We saw patronage start to decline rapidly as Labor introduced its 15 per cent increases every year ongoing. As you know, their policy was to keep 15 per cent increases going year after year after year. As I said before—and I am happy to go through those figures again for you, member for South Brisbane—if commuters in your electorate were travelling to Brisbane every day—

**Ms TRAD:** Let us talk about what has happened on your watch, Minister. Start looking through the window and not the rear-view mirror.

**Mr EMERSON:** And I am happy to talk about what has been happening on my watch—again, another dorothy dixer from you, member for South Brisbane, which I am very happy to answer. On our watch—

**Ms TRAD:** That is hardly a can-do attitude, is it?

**Mr EMERSON:** A can-do attitude is can you halve Labor's planned fare increases? Yes, we can. Can we make it cheaper for public transport than under Labor? Yes, we can.

**Ms TRAD:** Can we get more people using public transport? No, you cannot.

**Mr EMERSON:** We are trying to, member for South Brisbane, but the reality is we have a legacy of your failed mismanagement.

**Ms TRAD:** No. This has happened under your watch. You are responsible for it. Is it out of your control, Minister? Seriously!

**Mr EMERSON:** Can I say, member for South Brisbane: I do not know if you are asking these questions to make your own leader look bad. What I can say is that if Labor was in power—if you were the transport minister, member for South Brisbane—

**Ms TRAD:** This is your work.

**Mr EMERSON:** If you were the member for South Brisbane—

**Ms TRAD:** I am the member for South Brisbane, Minister. I am the member for South Brisbane.

**Mr EMERSON:** If you were the Minister for Transport, member for South Brisbane, the commuters in your electorate would be paying \$200 more a year to travel on public transport to get to—

**Ms TRAD:** That is all hypothetical and I think you are running out of answers.

**Mr EMERSON:** Sorry, but, Mr Chairman, let us be very clear: she now says—the member for South Brisbane—it is hypothetical. The reality was Labor had a clear election promise. We know that we cannot trust them when they are heading into an election. They make promises; they break them: Queensland Rail will not be sold off, and it gets sold off; we will not get rid of the fuel subsidy, and then they get rid of the fuel subsidy. Promise after promise is broken. They mislead. Now the member for South Brisbane in her revisionist view of the world is saying that Labor's very clear election promise, very clear election campaign policy, very clear election and public transport policy was to increase fares again by 15 per cent this year and another 15 per cent next year. That was their election promise. That was their policy. We have kept to our election promise, and that is to halve Labor's fare increase. If the member for South Brisbane was the Minister for Transport, fares would have gone up 15 per cent on 1 January and they would go up 15 per cent again on 1 January next year. That was Labor's policy. The fact is we have kept our election promise of halving Labor's fare increases, putting in place free trips after nine journeys and commuters, as I said before, travelling from, say, the Sunshine Coast would be paying \$1,000 more every year for their public transport bill for travelling from the Sunshine Coast to Brisbane. If Labor was still in power and if the member for South Brisbane was the transport minister, her own constituents would be paying \$200 more a year.

**Ms TRAD:** Minister, you have just proven you are not worth the \$90,000 extra you get paid under Campbell Newman under your government. You cannot fix what you said you would.

**CHAIR:** Thank you, member. We will move on. I call the member for Morayfield.

**Mr GRIMWADE:** Minister, I note the reference to the Peninsula Development Road on page 113 of the capital statement. Minister, can you please tell the committee about any road announcements made recently by the federal government and what consultation occurred with Transport and Main Roads?

**Mr EMERSON:** I thank the honourable member for the question. To turn back to the question asked by the member for South Brisbane, just briefly, about Mr Dawe, I am advised that Mr Dawe stepped aside as chair on 6 June and he resigned on 18 June, but I am happy to get those other details for the member.

In terms of your question, member for Morayfield, again this was an extraordinary situation we saw from federal Labor. What we saw was Minister Albanese, the now Deputy Prime Minister, come out in a flurry of publicity and make a substantial promise for Far North Queensland. He said, 'We're putting money towards the north,' in terms of the road system. What he does not say when he makes the announcement is that he expects the state to make a contribution to those roads as well. Given the state Labor Party's view about federal roads, it is extraordinary to see that these roads were local roads that he was making the announcement about but wanted the state to contribute to them as well. In some cases we do contribute, but what is extraordinary about this is that there was no consultation with us about it. He goes ahead and makes an announcement and says he wants to fix these roads in Far North Queensland but then comes to us and says, 'We want you to pay for part of that as well,' but does not ask us about that. If he had asked us, we would have said that our priority road in Far North Queensland was the Peninsula Development Road, and I am sure the member for Mulgrave understands how important that road is. I know that the member for Cook, David Kempton, knows how important that road is—to keep it fixed, to keep it in repair—and that is the road that would have been our priority.

Instead, we see a federal government that actually does not talk to locals about the roads that need to be fixed, does not come to the state government and say, 'What road do you actually want to spend money on?', but goes out and makes an announcement but then secretly comes to us and says, 'Can you help us pay for our promise, our budget numbers?' What an extraordinary situation! I can tell you that if he had come to us and said, 'We want to put money towards the Peninsula Development Road,' we would be very happy to talk to him—very happy to listen to him—and see what we could do. But instead they go out, look at roads, do not talk to us, make an announcement but then secretly come and say, 'But we want the state to help pay for our election promise, help pay for our budget announcement.' Surely if they were genuine they would come to us and ask what roads are important if they wanted us to pay for some of them. Again, I stress that the Peninsula Development Road is something that we are focused on and I know that the member for Cook is very keen to see improved.

**CHAIR:** Minister, mentioned on page 3 of the SDS is the integration of the Southern Moreton Bay islands into the TransLink network, and I ask: how will these changes directly benefit those communities?

**Mr EMERSON:** Thank you, Mr Chair. This was one of the issues that was raised with me when in opposition and again this became a promise from us in terms of working with those local communities. I must pay tribute to the member for Redlands, Peter Dowling, for his tenacity for this to happen. He was very keen on making sure that we looked at this when we were in opposition. I also want to give credit to the Mayor of Redland, Karen Williams, for her good faith and willingness to negotiate on this. I also want to pay tribute to my assistant minister, the member for Chatsworth, Steve Minnikin, who ran this process and has done a great job. I was speaking to the member for Redlands over the weekend and he said that it is a great result for his locals.

When I travelled to these islands when in opposition many people said that they wanted to be put into the TransLink system, and that is what we have achieved. This is not just a benefit for the locals on those islands getting to the mainland for work, for school, for recreational purposes; this is also of great benefit in encouraging tourism to the islands, especially coupled with our free trips after nine journeys. For many people now—Monday to Friday commuters—they are going home from work on a Friday for free and they can use their go card to take a journey out to the islands. I encourage them to do that. I know the member for Redlands would be encouraging them to do that, as would Karen Williams, the mayor, and they can get there for free now if they have had their nine journeys already in the week. So I think it has been a great initiative, but again I think it was something that had been talked about for a long time. As I said, people raised it with me in opposition. They got nowhere with the previous Labor government. The Labor government just knocked them back time and time again. But the hardworking member for Redlands has got the deal done and we are very pleased to work with the local council. Just on that, it was good to see the Redland City Council contributing to this. The Brisbane City Council puts money into public transport, as does the Gold Coast and the Sunshine Coast. So it is pleasing to see the Redland City Council recognising that this was something

of value to the local community that they could play a partnership role in to get an achievement for their local community.

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

**Mr BYRNE:** My question is to the director-general. Does the Department of Transport and Main Roads embrace merit based selection?

**Mr Scales:** We have many different ways of selection, so, yes, it is merit based as well.

**Mr BYRNE:** Thank you, Director-General. Were the appointments for the new regional directors of Main Roads recruited using merit based selection and, if so, what was your role in that process?

**Mr Scales:** I was not aware of the merit based process before that, but my role is to choose the best possible people to take the organisation forward.

**Mr BYRNE:** Have you received any request, advice or representation from the Premier, his office, his department or the minister, his office or his staff or any other person regarding any issue associated with the position of the regional director for Main Roads in Central Queensland?

**Mr Scales:** No.

**Mr BYRNE:** Is it not true that Mr Terry Hill, a long-serving and highly respected and competent engineer, topped the selection process and that the result was subsequently corrupted on order from another political source?

**Mr Scales:** No.

**Mr BYRNE:** Is it not true that this issue was put to you in terms of, 'It's your job or Terry Hill'?

**Mr Scales:** No.

**Mr BYRNE:** Will you table all records of the selection panel scores, findings and report as well as all emails, phone logs, diary notes and any other relevant material in order to clear the air on this matter?

**Mr Scales:** I thank you for the question. I think that has already been requested through an RTI and therefore will be offered up in the normal way.

**Mr BYRNE:** So you are happy to provide all of that?

**Mr Scales:** I am happy to provide everything, yes.

**Mr BYRNE:** Everything to the committee?

**Mr Scales:** Absolutely.

**Mr BYRNE:** Thank you

**Mr PITT:** My question is to the minister. I refer you to page 11 of the latest QTRIP. Looking at the national network, excluding any NDRRA funding for the national network, it will be \$1.258 billion in 2015. This is down from \$1.568 billion last year, a reduction of \$310 million. Importantly, maintenance spending for the national road network in Queensland will decline from \$218.3 million last year to \$148.3 million this year. Minister, are you seriously suggesting that you are investing in roads when the figures tell a completely different story?

**Mr EMERSON:** I thank the member for Mulgrave. I am happy to explain to him how roads work. I know he is not just the shadow Treasurer but also the shadow minister for main roads. The reality is that if a road gets damaged in a flood—a road that was supposed to be maintained and has some maintenance work done on it but now requires a bit of construction work done on it and repair work done on it—that is what we do. So when you have a road that has been damaged, I do not know if the member has a view that you go out and maintain a damaged road, I can tell you that when I look to communities out there, I think they want the road repaired. So that is what we have done.

As I said a bit earlier, we had 5,000 kilometres of our state road network that was impacted by Cyclone Oswald, costing \$900 million in terms of repairs that needed to be done. That work is out there, underway. We have had numerous projects that, can I say, we have already repaired. The director-general mentioned a bit earlier the Don Tallon Bridge. Can I say that it was great to be with Mal Forman, the mayor up there, after that event. Let me just explain a bit about the Don Tallon Bridge, because it is a great example of getting work done up there. As you know, Bundaberg has had heartache before—two years earlier in terms of natural disaster. In that case the Don Tallon Bridge did survive, but what happened is the waters came up, they saturated the pavement and then

they went down again. The unusual thing, the key event that involved Cyclone Oswald and the aftermath of that, was the ferocity of water. You saw with the Don Tallon Bridge the abutment get washed away through the ferocity of that water.

When we went up there to have a look it—and those who know Bundy would understand that that is a key link across that city—we put in place a plan to get that fixed. We were initially concerned it would take maybe up to two months to get that bridge fixed. Can I pay credit to the Australian defence services and the Australian Army. They came in initially to help us. They put this girder bridge across the abutment. Unfortunately, that was only one way, because apparently the Army only ever retreats or advances; it cannot do both at the same time. So it was only a one-way girder bridge. But while that work was underway, we got the work underway fixing up that bridge. So instead of just two months, just over two weeks it took to fix that bridge. If you go up there—and I encourage people to go up to Bundy and spend a few dollars up there and help the tourism industry, help that community—have a look at the Don Tallon Bridge. Have a look at the work around the abutment at the bottom of that. We have made it more resilient as well, because this is not just about replacing like for like but the work we have done on it made that bridge more resilient. I come back to your question—

**Mr PITT:** That would be good.

**Mr EMERSON:**—because the point being, member for Mulgrave, there is no point in putting maintenance on a road that needs to be repaired. So we put money into repair to the road rather than saying, 'We are going to maintain that road.' When you have—

**Mr PITT:** So there are no repairs required on any other section of road there?

**Mr EMERSON:** Conveniently you mentioned the NDRRA money.

**Mr PITT:** These figures are excluding the NDRRA money. That is correct.

**Mr EMERSON:** Exactly. So some of that money we have put into NDRRA. Twenty-five per cent of NDRRA money comes from the state. It does not magically appear out of nowhere; it has to be paid for.

**Mr PITT:** I am aware of that, Minister.

**Mr EMERSON:** It has to be paid for. When you have 5,000 kilometres of road that have been damaged—

**Mr PITT:** I think you have answered the question to your satisfaction. I would like to ask you about a point made earlier about the \$10.3 billion—I think you mentioned the figure—for QTRIP. Can you show me where you have in your forward estimates your contribution to that \$10.3 billion? Considering you have derided the former government so strongly about having overprogramming and underfunding for QTRIP, can you tell me where all of your funding for your QTRIP is? Or is that not fully funded either? I am making a point here, Minister, in the sense that—

**Mr EMERSON:** I am happy to answer the question.

**Mr PITT:** Have a go.

**Mr EMERSON:** QTRIP covers the forward estimates. It covers the budget. It is in the budget. You are the shadow Treasurer. Have a look at the budget. It is there. The money is there—

**Mr PITT:** The question is, Minister, is every element of your QTRIP plan fully funded? It seems as though you wish to deride the previous government for not having a fully funded QTRIP yet you are quite happy to go along the same path. I am not suggesting that it should be fully funded, because it is about planning. Are you going to continue to deride the former government about having an underfunded QTRIP when, essentially, you have followed exactly the same measure?

**Mr EMERSON:** No. Let me explain to the member for Mulgrave how plans work. This is part of the—

**Mr PITT:** Is it fully funded, Minister? It is a pretty simple question.

**Mr EMERSON:** Let me explain how construction plans work—and what the previous government did that was so misleading, so distrustful, so disgraceful. When you plan a project, there is a thing called overspending. You expect in the first year as you are constructing a project that there will be a certain number of projects that will not be completely completed on time because of events—a perfect example being in this case this year Cyclone Oswald. What you do is you put the overspending in the first years and you get the underspending later on. That is how you organise it. What Labor did—and this is what is so disgraceful, because they build up the expectation for local

communities and they were going to cheat them out of this—is they put overspending in every year moving forward. That is what it is—

**Mr PITT:** They were not just putting in the actual cost of projects, Minister?

**Mr EMERSON:** What they did was overspending—

**Mr PITT:** Being upfront with people as opposed to what your government does?

**Mr EMERSON:** Can I say again—and I make the point I made a bit earlier and maybe the member for Mulgrave was not listening—we have kept to our QTRIP plan. We have already had one year of QTRIP and we have gone on to the next year after that, even with Cyclone Oswald. Can I say that most fair-minded people would have said, ‘You’ve had a natural disaster. You’ve had 5,000 kilometres of your roads damaged. I could understand if some of the things you were planning to do in these years in QTRIP you might have to push out to pay for that much needed repair work.’ We did not do that. We kept our QTRIP plan in place. The reason we could do that is that we have worked hard. We have made some really tough decisions—difficult decisions—to make savings so we could keep that in place.

Let me be very upfront with you, member for Mulgrave. If we had another natural disaster, say, over Christmas and January this year—and God forbid we do—our QTRIP plan would be under real pressure, because we just cannot keep finding more money out of nowhere. We have worked very hard to find the savings and we have been able to deliver and keep the QTRIP plan in place. I know communities respect the fact that we have worked hard and kept our QTRIP plan in place, even with an impact of something like Tropical Cyclone Oswald and all the things around that

**Mr PITT:** Minister, just going to RoadTek staffing, which is on page 40 of the SDS, we know that your government has set about breaking apart RoadTek and outsourcing work to the private sector where there is no guarantee that work will be done cheaper or to a higher standard. I ask—and I am happy for you to take this on notice—how many jobs are you cutting in RoadTek this year? How many positions have already been cut in road RoadTek since the government came to office? How many have been lost in regional areas?

**Mr EMERSON:** I thank the honourable member for the question. I can say that, in terms of FTEs, the difference between RoadTek is about 522 at the moment, but I can give you a broader breakdown, if you would like. I am happy to take that on notice and give you a breakdown if I can.

**Mr PITT:** Thank you.

**Mr EMERSON:** But as I said, in terms of our commitment, what we have done is tried to work towards having RoadTek not tendering in South-East Queensland but maintaining a presence in rural and regional Queensland.

**Mr PITT:** You have mentioned that twice now, Minister.

**CHAIR:** We will move on. I just want to clarify a point. Mr Scales, there was a request from the member for Rockhampton for details in relation to the appointment of panels. Are you happy to provide that information?

**Mr Scales:** There is an RTI process on this very thing. So all of that information is being gathered. I am not sure what the timing of that is, but if the timing matches—it is one gathering of information, anyway—I am quite happy to provide it.

**CHAIR:** It has to be in a certain time. So, Minister, maybe you should just take it on notice.

**Mr EMERSON:** I will take it on notice. Thank you.

**CHAIR:** That will solve the problem.

**Mr SHORTEN:** Minister, can you advise what initiatives have been undertaken to allow greater access to go card top-up facilities?

**Mr EMERSON:** Member for Algester, I appreciate that question, because I think this is an issue if you are a local member—and I know as the hardworking local member that you are, member for Algester, that this is probably one of the frustrations. I am sure you have had a few calls and a few letters to your office about this—we all have. It is one of the things that I have inherited from the previous government and we are trying to deal with. Under the contract signed with Cubic and the process put in place there is technology put in place in terms of top-up machines. It is very expensive machinery and there are limited outlets for it. I am sure all the members from across the parliament have had people—and I see the member for Nudgee nodding his head about this—say, ‘Look, I catch the bus here. There is a newsagent behind me there but they haven’t got the top-up machinery.

There's a shop 100 metres down the road that does, but I'm here and I want to make sure I catch my bus.' I can understand that frustration. It is one of the things that, as the member for Indooroopilly, people get talking to me about as well.

That is why we have looked at what we can do about that. It is one of those frustrations. Can I say that we are encouraging more people to use online top-up. We are at about 20 per cent at the moment. The reality is that, in terms of online automatic top-ups, it is not as high as I would like, but a lot of people do it physically. So we have gone out to the market and said, 'We want your ideas and your proposals to be able to convert some of the technology that is already in shops,'—let us say newsagents, but it would not just be newsagents. We know that they use EFTPOS and they have that technology in place. We want to see if we can adapt—whether it is retro-fitting—the equipment that is already there to increase the ease and access to top-up facilities and not just have a limited number of sites. So we are out at the moment looking at doing that and we will see what comes about on that. I do not know what they will bring back, but my hope is that there will be a solution that allows us to convert the technology that is already in at, say, the member for Nudgee's local newsagent so people can suddenly change it over and get a top-up. I think that will be a great result for public transport users. We are giving it a go to see what comes out of this. I am just not willing to sit by and do what the previous government did and just let that happen and let that process be as it was. I have heard the feedback from my own local people but also local members have come to me on behalf of their own constituents and have said, 'We want to see if we can do something different.' That is what we are doing.

**CHAIR:** Thank you.

**Mr WOODFORTH:** Minister, the SDS talks about the regulated passenger service providers, including taxis. Could you please provide the details on the recently announced changes to taxi security and the automation of taxi meters?

**Mr EMERSON:** I thank the member for Nudgee for the question. We have announced recently that we will be introducing audio recording in taxis and rolling it out from early next year. Can I say that this is something that was discussed under the previous government and it was looked at. When I was in opposition I did have a concern that they had not consulted the Privacy Commissioner at all about this issue. That is why I felt, when we came in, that while I was reasonably supportive of it I wanted to make sure that we did go the Privacy Commissioner and have a look at this. They provided feedback. To be honest with you, there was not a lot of feedback. We went out to the public on this issue. We did not get a lot of feedback on it. It did not seem to be an issue that people were particularly concerned about and I was pleased to announce the other week that we are going to be introducing audio recording into taxis. Cameras, as you would know, have been in taxis in Queensland since 2005. Audio recording does occur in other states already but, sadly, in recent times we have had a number of incidents involving taxis, including attacks on taxidriviers but also attacks on passengers.

I see this as one of the measures to help improve safety in taxi travel. I have seen court cases where it has been claimed that, while they had cameras in the cars, there wasn't any audio and it is difficult to determine exactly what was said, what happened, who was at fault. So we will be rolling this out from early next year. Taxi owners and operators will pay for this to occur. They have three years to roll this out.

The other thing that will be occurring, can I say, member for Nudgee, is automatic taxi meters. I think we have all taken a taxi at some stage, paid the bill and wondered were we overcharged, did the taxi driver make a mistake, did he do something wrong. Now, can I say I think most taxi drivers out there are great people doing what can often be a difficult job and are honest, law-abiding people—but sometimes there may be some out there doing the wrong things. Now, part of our fares are already automated, but some of those extras, the little extra tariffs they put on for moving luggage or doing a few things like that, aren't automated at the moment. Well, they will be. From the second half of next year we will start seeing that rollout as well in terms of those automatic taxi meters. I say again that most taxi drivers out there do the right thing, are great people, as I said doing sometimes a very difficult job, but we want to make sure the experience is as good as possible, but also we think that introducing particularly audio into taxis makes taxis a lot safer.

**CHAIR:** There is a lot of very welcome road construction and reconstruction of our roads going on and most people are very happy that that is happening. However, I suppose there is a bit of frustration in relation to a lot of the speed signs and so forth that are on some of those roads out there and motorists are thinking, 'Well, the road doesn't look too bad.' Is there some way that we can speed

up those inspections of those roads during reconstruction to try to get the flow of traffic moving better?

**Mr EMERSON:** Thank you, member for Warrego. I know this is an issue that is probably close to your heart as well.

**CHAIR:** Very close to my heart.

**Mr EMERSON:** It has been a long time since we have done a comprehensive review of speed limits in Queensland. I recently announced that we have put out to the community for people to give us feedback on roads that they think that the speed limit should be reviewed on. We will wait to see what that feedback is. Once we get that feedback we will identify 100 roads for further examination. The experience we have seen in other states, in New South Wales most recently, when we have done this review is in some cases speeds are reduced, in some other cases speeds go up and in most other cases the speeds don't change at all. We obviously will get feedback from our safety experts to see if those changes can be made. I have noticed and I have listened to some of the feedback we have seen already in terms of particularly on, say, some of the websites and on talkback radio, a lot of people coming out saying, 'We want to have this road made faster', for instance. Well, look, if we do that it will only be with the safety experts saying that is possible. I have seen some people say, the RACQ say, for instance, they could see that some roads, say the Pacific Motorway, might be able to go up by another 10 kilometres per hour faster. We will see what they say. I am sure I will get feedback from yourself and some of your constituents and possibly other members around the place. I know I get a lot of members that do come to me and say, 'I'd like to see a speed slowed down'. Sometimes they come in and say, 'Look, there is some inconsistency', that it goes 80, 80, 80, 100, 80, 80, 80 and it is confusing for some people. I am always happy to see what the argument is for why it should be changed. But I think there is a reasonable argument there. I am happy to accommodate local members, not just LNP members but members across parliament. If their local communities, and them as a local member, think there is a need to reduce a speed in a local area because the local community in that area says, 'Look, we think it is a bit too fast for that particular area,' I am happy to take that on board.

**CHAIR:** Thank you, minister. I call the member for South Brisbane.

**Ms TRAD:** Thank you very much, Mr Chair. Can I call Mr Jim Benstead again to the table. Mr Benstead, as acting CEO of Queensland Rail are you aware of any bullying claims made against the former chair of Queensland Rail, Mr Glen Dawe?

**Mr Benstead:** I thank the member for the question, and the chairman. I am not aware of any substantiated claims against the previous chairman, Mr Glen Dawe.

**Ms TRAD:** So you are aware of bullying allegations?

**Mr Benstead:** I am aware of an allegation in relation to a particular issue. I must say though, it was investigated—fully investigated and there is no substantiation.

**Ms TRAD:** That investigation has been completed, has it?

**Mr Benstead:** I am aware that that has been completed.

**Ms TRAD:** By your internal processes?

**Mr Benstead:** Internal processes, yes. May I take the opportunity to answer the previous questions you gave to me? I now have the answers for those.

**Ms TRAD:** If you can just table them that would be good.

**Mr Benstead:** I certainly will.

**Mr PITT:** Thanks, Mr Chair. If I can just ask the minister to clarify something he said earlier. Minister, you referred a couple of times to the fact that RoadTek is still going to have a presence in regional Queensland because it is vital and, of course, we are all aware of the great work that RoadTek has done, particularly post disaster, and it is obviously a necessary part of their role. I want to find out if you are aware of the government's response to the Commission of Audit at recommendation 33 where it talks about the government accepting the recommendation to seek expressions of interest to having remaining commercial business units, including RoadTek, go out for outsourcing. Can I ask: aren't you being a bit tricky with your answers suggesting they are still having a great time in regional Queensland and will be there and you want to maintain that, when the government's accepted recommendation is to actually seek to outsource them?

**Mr EMERSON:** Thank you, member for Mulgrave. I stand by my answer earlier. My view remains that RoadTek has an important role to play in regional and rural Queensland. The government has accepted a recommendation to undertake market testing in regional Queensland but I am mindful of the need to ensure long-term provision of services in regional Queensland so that is what we are doing. As I said, my view is that RoadTek remains important to have in rural and regional Queensland. As I said earlier, the reason that we looked at RoadTek in South-East Queensland was that we believed there was a fully contested market out there. There are plenty of businesses out there, plenty of construction people out there keen to do the work, available to do the work, willing to do the work and we hope to be able to do that work at a cheaper rate and make a better use of taxpayers' dollars.

**Mr PITT:** When we are talking about the idea of contestability, which we know is a euphemism for privatisation or outsourcing, really when we start talking in those frames will you go in to bat strongly to ensure that RoadTek is securely maintained?

**Mr EMERSON:** My view at this moment is that there is not a fully contested market out there in rural and regional Queensland. That is why we said that in South-East Queensland we think it was quite appropriate to have RoadTek to not tender any more in South-East Queensland. My view at the moment is that there is not a fully contested market out there and that it continues to be the case that RoadTek continues to have a role in regional and rural Queensland.

**Mr PITT:** You are going to convince the Treasurer and the Premier about maintaining RoadTek's presence in regional Queensland?

**Mr EMERSON:** As I said, at the moment my view is—that is why we made that decision earlier in our term—that we would be withdrawing RoadTek from tendering in South-East Queensland because there was a fully contested market and the construction industry has the capacity to do that. But in terms of regional and rural Queensland I believe RoadTek still remains to have a role in those areas and I don't believe there is a fully contested market out there. That is my view at the moment, yes.

**Ms TRAD:** Minister, as you are aware, bus driver safety is a critical issue right throughout Queensland and I have noted that you haven't referred to it once here today. The Bus Industry Safety Committee has been an abject failure. Isn't it time you actually put aside the assistant minister who has been responsible for one of the most abject failures in relation to the South-East Queensland Bus Network review and take control of this very serious issue on behalf of Queensland bus drivers?

**Mr EMERSON:** Thank you, member for South Brisbane. I am pleased to see that you have finally asked me a question about it. I would have answered it much earlier if you had bothered to ask me a question about it. I think it's extraordinary to see your statement—you say about asking questions—I haven't spoken about it. I did note the other day that in about a month's time—and I say happy anniversary to you, member for South Brisbane, because in about a month's time we will hit the first anniversary of the last time you bothered to ask me a question in parliament in question time—almost a year since you have bothered to ask me a question on an issue like public transport—so important. Not one question on fares, on Cross River Rail—

**Ms TRAD:** Why don't you answer the one I've asked you now?

**Mr EMERSON:** Well—

**Ms TRAD:** Answer the one I've asked you now.

**Mr EMERSON:** As I said, almost a year that you haven't been bothered to ask a question about public transport.

**Ms TRAD:** Answer this one, Minister. Here you go. Here's your big opportunity. Go on.

**Mr EMERSON:** Thank you again, member for South Brisbane. That is why I am so pleased to be able to answer it and hopefully today—

**Ms TRAD:** Okay, well, quit the preamble. Just get to the answer.

**Mr EMERSON:** Hopefully today I've shamed you into—

**Ms TRAD:** Why are you doing nothing about bus driver safety? Why are you doing nothing?

**Mr EMERSON:** As I said, Mr Chair, hopefully today I have shamed the member for South Brisbane into asking me a question next time parliament comes—

**Ms TRAD:** I think it will take a bit more than that to shame me, Minister, but keep going. Just answer the question.

**Mr EMERSON:** Well, I'm just hoping for that question from you.

**Ms TRAD:** Just answer the question.

**Mr EMERSON:** In terms of bus safety, I notice you attack the bus safety committee. What surprises me again—

**Ms TRAD:** It's been a failure.

**Mr EMERSON:**—but maybe it is not a surprise, is who set up the bus safety committee. Who set up the bus safety committee?

**Ms TRAD:** Under your leadership it has been a failure, Minister. Take over the reins.

**Mr EMERSON:** Mr Chair, she asked the question, she doesn't want to hear the answer because the reality again is it is another Dorothy Dixier from the member for South Brisbane. Because who set up the bus safety committee? Yes, her leader, the then transport minister. So she again attacks an initiative by her own member set up by Labor, a bus safety committee—I don't know if it was set up by her. It was set up by Labor definitely. It might have been the former, former transport minister.

**Ms TRAD:** Okay, so you are doing nothing about bus driver safety.

**Mr EMERSON:** In terms of bus safety, we have had that committee. One of the initiatives we looked at was obviously issues in terms of driver safety and that is why we had meetings, not just with unions but also with the TMR, with TransLink, with bus operators to try to work on solving these problems of bus safety. One of the issues we have dealt with is blitzes on those buses in those areas. One of the things we dealt with or one of the concerns raised was also about aggressive behaviour by passengers, issues we have dealt with in terms of blitzes.

**Ms TRAD:** When are you rolling out duress alarms?

**Mr EMERSON:** Can I say, Mr Chair, we have said at this stage we are not doing that. And the reason we are not doing that is because again the previous government said they were going to do it, but they didn't provide funding for it. Where was the money? They had a massive debt, a massive deficit. They talked about doing it, but they didn't do it. The previous transport minister said they would do it, and didn't do it. It brings me to another example of the previous government saying they will do something and never doing it in terms of safety.

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

**Mr WOODFORTH:** Minister, can you please detail how much has been allocated to continue to promote safety at rail level crossings across Queensland?

**Mr EMERSON:** Thank you, member for Nudgee, and can I say that this government more than any government in the past is committed to rail safety. I know in your own area in terms of one of our significant commitments in terms of rail safety is the Robinson Road overpass at Geebung.

**Mr WOODFORTH:** Can we refer to that as Jurassic Park from now on?

**Mr EMERSON:** All right. Jurassic station? I don't know if the locals want to get it changed. I think Geebung has gone worldwide as a name now as a site. But that is a great project. Can I say that in terms of the overpass we are working on that at Robinson Road, Geebung, at Telegraph Road at Bracken Ridge, the two level crossings identified by the RACQ as the two most dangerous in South-East Queensland, level crossings that the previous government did nothing about. I can remember joining with you before the election, member for Nudgee, when you were just the candidate for the LNP, in a public forum out there. I still remember the then member for Nudgee having to admit that his government still wasn't committed to that overpass at Robinson Road. So it is a great tribute to you as a candidate and now as the member that that project is underway and it was great to be out there the other day with you, along with the Lord Mayor who was our partner in this process.

We have done many things in terms of rail safety, but can I focus on one thing that is of concern to me at the moment. We are working very heavily in terms of our campaigns to help in rail safety, but of concern to me particularly at the moment is bridge strikes. We have been seeing an increased number of bridge strikes where trucks and vehicles are hitting our rail bridges, making not just immense damage to our rail infrastructure but causing immense inconvenience to public transport users. Because when we see these trucks hit these bridges we have to make sure the bridge is sound again, and this causes a shutdown of the line with often hours, if not days, of inconvenience on these lines. We have put in this new technology at many of these bridges now—we are trialling that—where we can alert the truck. A warning comes up 'You are too high. You are going to hit the bridge.'

Still we are seeing, over and over again, examples of bridges being hit by trucks and causing that damage. Those people are idiots. They are idiots because they keep doing this. They know how high a bridge is and they know how high their truck is. They should know better, but we are seeing those idiots hit our bridges, causing immense disruption to our public transport system and damaging our infrastructure. We are putting in new technology to deal with it. I plead with people, I plead with drivers, to check what roads you are on, to check how high the bridge is, to check how high your load is and to do the right thing. Hopefully, we can stop some of these bridge strikes that cause immense inconvenience and damage to public transport and public transport commuters.

**CHAIR:** Thank you, Minister. Before we close, I want to clarify something in relation to the information that is being provided by Mr Scales with the RTI information. You said you would take it on notice. That notice has to be in by tomorrow. I do not think you can do that. Really, we had better have either an extension and clarify the time frame or we will have to wait until the RTI is done. I make that point. We will rule that we will wait until the RTI has been approved.

**Mr Scales:** That would be very helpful, Chairman. I also have a correction to the record. I was asked whether the DLOs or the SDLO had business cards. I am advised that last year Kristy Konings did have a business card. This was inadvertent. When discovered on 26 September 2012, which is before I took up this role, they were withdrawn immediately. To my knowledge, the SDLO and the DLOs in the department now do not have any business cards. One was issued to Kristy Konings last year in error and it was withdrawn and put to one side.

**Mr EMERSON:** I was asked earlier by the member for South Brisbane about Queensland Rail and Mr Dawe. Queensland Rail advises me that they are not aware of any private tour for Glen Dawe.

**CHAIR:** One last thing from the committee: Mr Benstead's question was taken on notice. We need leave from the table for that to occur. Leave is granted. Thank you.

The time allocated for the consideration of the estimates for the Minister for Transport and Main Roads has now expired. There being no further questions, that concludes the examination of the estimates for the Minister for Transport and Main Roads. On behalf of the committee, Minister, I thank you and your advisers for your attendance. I remind all visitors that the draft *Hansard* transcript will be published on the parliamentary website, usually within two hours of the completion of the portfolio hearing. I also remind you that your answers to questions taken on notice at today's hearing are to be provided to the committee secretariat by 5 pm on Friday, 26 July.

The committee will now break for lunch for one hour and resume at 1 pm to examine the estimates for the areas of responsibility administered by the Minister for Housing and Public Works.

**Mr EMERSON:** Mr Chair, can I again quickly thank all the committee members for their questioning today and for their courtesy. I also thank my ministerial staff and departmental staff for their hard work. I know that the former ministers will appreciate the kind of effort that is put in as part of that. I thank them for the hard work that they have done. Hopefully, I have done the right thing by their hard yards as well. Thank you very much.

**CHAIR:** Thank you, Minister.

**Proceedings suspended from 12.03 pm to 1.00 pm**

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

### In Attendance

Hon. TL Mander, Minister for Housing and Public Works

Ms L Palu, Chief of Staff

#### Department of Housing and Public Works

Mr N Castles, Director-General

Ms D McLeod, Chief Financial Officer

Mr W Pashen, Executive Director, Finance, Corporate Services

 **CHAIR:** Good afternoon. The estimates hearing of the Transport, Housing and Local Government Committee is now resumed. On behalf of the committee, I welcome to the hearing the Minister for Housing and Public Works, the department and related entities and members of the public. I am Howard Hobbs, the member for Warrego and the chair of the committee. Mrs Desley Scott, the member for Woodridge, is deputy chair. Other committee members are Mr John Grant, the member for Springwood; Mr Darren Grimwade, the member for Morayfield; Mr Carl Judge, the member for Yeerongpilly; Mr Anthony Shorten, the member for Algester; and Mr Jason Woodforth, the member for Nudgee. The committee has also given leave for non-committee members to participate in the hearing today. I welcome Mrs Annastacia Palaszczuk, the member for Inala, who is not here yet; Mrs Jo-Ann Miller, the member for Bundamba; and Mr Bill Byrne, the member for Rockhampton.

The committee will now examine the Appropriation Bill 2013 and the estimates for the Minister for Housing and Public Works. The committee will examine the estimates for the Department of Housing and Public Works and related entities until 3.30 pm. We will then take a short break for 30 minutes before resuming at 4 pm to examine the estimates for the Minister for Local Government, Community Recovery and Resilience.

The proceedings today are lawful proceedings subject to the standing rules and orders of parliament. As such, I remind all visitors that any person admitted to this hearing may also be excluded in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting guidelines. The hearing will also be broadcast live by the parliamentary service website.

It is important that questions and answers remain relevant and succinct. Where necessary, I will remind ministers, directors-general, CEOs and their advisers that their answers to a question should be finalised so that other issues can be examined. Before we begin, I ask that all mobile phones be now switched off or put to silent mode. For the benefit of Hansard, I ask advisers if you are called to give an answer, please state your name and position before speaking.

I now declare the proposed expenditure for the Minister for Housing and Public Works open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

**Mr MANDER:** Thank you, Mr Chairman, and thank you for the opportunity to be here today to talk about what my department has done in the past year and what we are looking forward to doing in the upcoming 12 months. As you would be aware, I came into this portfolio in November of last year. I was very honoured to be given the opportunity to serve the Newman government in this fashion. I was doubly honoured to be in this portfolio, a portfolio that is used to working with marginalised people, which is something that is very close to my heart and where I have had plenty of experience in the past working through the school chaplaincy program, to mention just one.

We need to be reminded that when this government came into power we did have record levels of debt. We had a Housing portfolio that was losing around about \$140 million a year. We had 30,000 people on the public housing waiting list or 30,000 households. We had no way of curbing

unacceptable behaviour. We had old houses, poorly aligned with tenants' needs, and we had lots of red and green tape that was choking the system. We started behind the eight ball and it meant that a lot of reform had to take place. I am happy to say that my department has been busily trying to bring about that reform. I thought I might mention a couple of things that are underway at the moment.

Just this morning, I announced the Housing 2020 strategy, which is looking at reforming the social housing sector. That strategy is here. I would like to table that for everybody's reference.

**CHAIR:** Is leave granted? Leave is granted.

**Mr MANDER:** This strategy looks at addressing the social housing dilemma that we have. The social housing needs of today are totally different from what the system has been able to provide over the past 30 years. Whereas in the past social housing was provided mainly for families, nowadays the demand is more and more for single people, people with very high needs, whether they be physical or mental health issues, and people who need a heck of a lot of support. This strategy talks about delivering 12,000 additional social and affordable housing dwellings over the next seven years on a region-by-region basis, making sure that we meet the specific needs of each particular area. One of the issues is that we have a range of old stock, a range of stock that is dominated by three- and four-bedroom homes but, as I mentioned, the demand now is more for one- and two-bedroom units. Those additional dwellings will start working towards that type of reform.

One of the other parts of the strategy is that we are moving away from being a direct provider of services to being an enabler of services with regards to management of social housing tenancies. Our aim is to have at least 90 per cent of the social housing stock managed by the community housing sector in the future. This is good news for social housing tenants and also good news for Queensland taxpayers. No doubt I will get an opportunity to elaborate more on that in the future.

The other major part of this housing strategy is that we are looking at providing pathways for 250,000 people over the next seven years into the private rental market. Our aim is to be able to equip people and to provide processes and products, if you like, and incentives to enable people not to enter into the social housing sector but to go directly into the private rental market. Again, I am sure I will get a chance to elaborate on that.

Only about a fortnight ago I announced the Homelessness-to-Housing Strategy, which is addressing this chronic issue that we have in our state, unfortunately, where around 20,000 people are classed as being homeless. That is not right in a great state like Queensland. This strategy looks at providing directly more supported accommodation facilities: a 40-bed unit in Cairns, a 40-bed unit in Townsville, a 20-bed support unit in Redcliffe and a whole range of other additional facilities as well. It also, importantly, looks at the way that we deliver homelessness services. At the moment, we have a lot of good people doing good services, but they are uncoordinated, they are not integrated and they work across agencies. We believe that, through the initiatives that we have mentioned in this strategy, we can deliver with the same money a lot more additional services.

Of course, we are still committed to providing housing in Indigenous communities. I am delighted to say that we delivered 150 houses in Indigenous communities in the past 12 months. We still have around 840 to go in the future. I am sure we will talk about those plans as well throughout this hearing.

Over the past 12 months we have managed to bring the waiting list in the social housing sector from 31,315—not just over one year, this was a figure from 2011—and today it sits at 22,000. We have made great progress in that area as well. Last year, more than 7,055 households moved off the waiting list and into social housing and that is more than in any year since 2008.

Of course, we do not just look after housing. We also look after public works. We have been endeavouring to do as many things as we can in that area as well to bring about the reform that is necessary to reduce costs and reduce red tape. We have merged the former QBuild and project services area, now known as Building and Asset Services, and there are some great savings that have been achieved through that with still a great delivery of service. We have brought about red tape reduction as no longer is it necessary to have hot water systems that are nonelectric and rainwater tanks. We have made some big changes in the plumbing area as well, with regards to how the planning procedures work there. We have just gone through a reform of the BSA, which this committee was very closely involved with. I thank you for your input into that. I am looking forward to seeing some great changes there, as well.

Finally, I mention that procurement is another area that comes under my authority. A couple of weeks ago, we announced a major procurement policy change. The policy will move from being a

very prescriptive, restrictive policy to something that is more principle based, which we believe will save tens of millions of dollars.

None of this work could have happened without the support of my director-general, Mr Neil Castles, and his dedicated staff within the department. I thank them, right now, for their efforts and I look forward to the rest of the estimates hearing.

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

**Mrs MILLER:** Thank you, Mr Chair. Minister, I refer you to page 20 of the SDS and your answer to estimates question on notice No. 12 and question on notice No. 272. I note with interest the number of zero dollar figures that appear in the proposed upgrades for social housing across our state. That is nothing; not a zack. Minister, why is it that residents of social housing in the Brisbane and north coast region are more deserving of security and communal lighting, receiving over \$200,000 in the 2013-14 financial year and \$10,000 in the 2012-13 financial year, but social housing residents living in the southern, northern and Brisbane and north coast regions do not deserve the same level of security?

**Mr MANDER:** Thank you, member for Bundamba, for that question. We are committed to making sure that the highest levels of social housing standards are kept right across-the-board, no matter where you live. There are assessments that are taking place on an ongoing basis to make sure that we are well across where those particular needs might be. They are not dictated by regions. They are dictated by the need that there actually is in those particular areas.

**Mrs MILLER:** So there is no need in those regions that I mentioned, the southern, northern, Brisbane and north coast regions?

**Mr MANDER:** As I mentioned, what we do is make assessments on where the particular needs might be and, obviously, with the limited budget that we have make sure that the money that we do spend is used very wisely. I might just direct this question to the DG, who will have a bit more detail about some of those figures.

**Mr Castles:** With all maintenance, all maintenance plans are prepared using a disciplined planning process that includes property inspection data enabling funding to be equitably distributed throughout regions. With a lot of the security/communal lighting, a lot of our buildings, particularly the unit style accommodation, are newer types of accommodation. Most of our older style accommodation is houses or detached houses. That is generally the older style accommodation. What you will find in most cases with respect to our units of accommodation, they will have communal lighting and that in there and they are not necessarily driven by upgrades.

**Mrs MILLER:** Interesting answer, Director-General. I would like to table those answers to the questions on notice. I seek leave to table them.

**CHAIR:** Is leave granted? Leave is granted.

**Mrs MILLER:** Minister, this is an appalling response to this question. Obviously, there are people—women and children—who are victims of domestic violence. We also have elderly residents in our community. Minister, how do you propose to protect them? Are you going to give them a whistle? Where are the security screens? Where is the money for security screens to protect them? You call them 'marginalised', which is an insult, so how do you expect to protect those people?

**Mr MANDER:** I thank the member for Bundamba for the question. Most dwellings have security screening. The department is actually moving through those homes that do not have security screening at the moment to make sure that we have that. I am very confident that the standards that we have for our social housing are adequate, particularly security-wise. I would say that those people have no need to fear anything.

**Mrs MILLER:** All right. Thank you very much. Minister, I note that you are saying that most houses have security screens. I note that there is no funding allocated in this year's budget or last year's budget for upgrades to security screening in the central and northern regions for this financial year. Minister, why do you dislike those 'marginalised' residents, as you described them, of the central and northern regions, which encompass areas such as Rockhampton, Bundaberg, Cairns and Mount Isa, and not provide funding to upgrade security screens for two financial years?

**CHAIR:** Member for Bundamba, you know the rules. Questions containing arguments, inferences, imputations and hypothetical matters should not be asked. I will remind you one more time and suggest that you rephrase the question.

**Mrs MILLER:** It is in relation to SDS—

**CHAIR:** Just rephrase the question—

**Mrs MILLER:** I will.

**CHAIR:**—is what you are being asked to do.

**Mrs MILLER:** In relation to page 20 of the SDS, can you please explain to me, as the shadow minister for housing, and the committee members here why there has been no funding provided in the last two financial years to upgrade security screens for housing in the central and northern regions?

**Mr MANDER:** Member for Bundamba, I imagine that there is no money for the upgrade of security screens in those areas because there is no need.

**Mrs MILLER:** Are you sure about that?

**Mr MANDER:** My assumption from that is that if no money has been allocated for upgrading it is because there is no need or there is a greater need in other areas. I am very confident that social housing tenants have no need to fear for their security. In fact, all senior residents in social housing definitely have security screens. So if there is no money for upgrades it means there is no need.

**Mrs MILLER:** Just taking it a little bit further than that. Your belief is that if you live in social housing in those central and northern regions then you are living in the safest areas of the state?

**Mr MANDER:** I am saying that if there is no money allocated for the upgrade of security screens in those areas it has been deemed that there is no upgrade necessary.

**Mrs MILLER:** And you are going to stand by that?

**Mr MANDER:** Yes, I am.

**Mrs MILLER:** Time will tell. Minister, I refer to your so-called new Housing 2020 strategy and also to the SDS at page 2. I think they are described as sweeping reforms. Your media release states—

While there are those who will always require ongoing social housing, there are others whose barriers to the private market could be overcome with the right support ...

I also note that in the *Courier-Mail* you have indicated—

... our aim is to have 250,000 people moved to the private rental market by providing appropriate pathways.

That is a quarter of a million people. Why are you forcing people out into the private rental market when you must know that they cannot afford it?

**Mr MANDER:** Thank you for that question. Thank you for the opportunity to clarify that policy. Our aim is to change the mentality that some people have about social housing. Social housing is meant to be a privilege for those people who need it. It is not meant to be something that is accessed for life. Of course there are a number of people for whom the state will have responsibility in terms of social housing because of their very high needs—people who have physical or mental health disabilities or people who are so broken through their life experiences that they require much more support than others do.

There are also people within the social housing sector and many more outside of it who, if given the right support, given the right education, given the right guidance, can actually maintain a rental in the private rental market. Our aim is to provide those pathways. On a daily basis we have people coming to our housing service centres looking for accommodation. When we have 23,000 householders on the waiting list we need to be looking at other ways of accommodating them.

That is why we are building 12,000 additional social, affordable housing units. That is why we are looking at providing different policies and incentives to encourage people, prompt people and allow people to exist in the private rental market. We believe this figure is a bold figure, but we think it is achievable. We intend to work rigorously towards that by increasing the number of products like RentConnect, which has been a very successful policy, bond loans and rental grants. Of course we also have NRAS, the National Rental Affordable Scheme, where we are partnering with the federal government to provide affordable accommodation right across the state.

**CHAIR:** Can you advise the committee how your department has been able to implement new initiatives and improve the way the department operates since coming to government and what savings you expect for the taxpayers of Queensland?

**Mr MANDER:** Thank you for that question. As I mentioned earlier, we inherited an incredible debt and deficit situation from the previous government. So it has been necessary to make savings

wherever we could. I am happy to say that we have undertaken a number initiatives to play our part in that process.

We have merged QBuild and Project Services, as I mentioned in my introductory comments. That is called Building and Asset Services. We are experiencing great savings from that. We are totally revamping the procurement process. We are hoping this will save hundreds of millions of dollars by having a more whole-of-government, coordinated approach, a far more principle based approach than prescriptive approach. We have exited a lot of the contestable services, such as cleaning, horticulture, manufacturing, in-house design, public art procurement. We have reduced the size of QFleet. We have outsourced QFleet sales. We are getting better value from social housing and will get better value through the Logan renewal initiative and other renewal projects. There is the Housing 2020 strategy that I just announced. All of these things are part of the reforms that have been taking place.

Those savings amounted last year to \$773 million. This coming year there will be savings of \$314 million. Over the five years from 2011-12 that will amount to savings of just over \$1.2 billion. As you can see, we have been doing major reform in the department to bring about savings to Queensland taxpayers while, at the same time, being able to deliver the services that Queensland taxpayers expect.

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

**Mr GRIMWADE:** I refer to page 82 of the Service Delivery Statement which refers to the review of the Queensland Building Services Authority and the implementation of the reforms identified by government to ensure the right balance between builders and consumers. Can you please provide detail around your 10-point action plan to reform the QBSA and how the reforms will ensure the right balance between builders and consumers.

**Mr MANDER:** Thank you very much, member for Morayfield. This is an area that has been crying out for reform for some time. Since I have been in the chair as the minister I have dealt with countless pieces of correspondence from both consumers and builders who have been upset about the processes of the QBSA. Essentially, the QBSA has done some very good work. We are dealing with a small minority of people who do have issues. But, unfortunately, when these issues occur they are highly emotive. You are dealing with people's life savings. It is important that we address some of the issues that have been raised by consumers.

As you are obviously aware, this parliamentary committee inquired into the BSA and provided 41 recommendations which provided a great foundation for my department to look into further. I put an expert review panel together to look at those recommendations and to dig a little bit deeper and consult a little bit wider. After that consultation process we have come up with a 10-point action plan which endorsed the majority of the recommendations of the parliamentary committee.

The first point is that we will change the BSA into a commission. It will be known as the Queensland Building and Construction Commission. It will be governed by a proper corporate board. At the moment, there is an advisory board. Although it has a role, it does not have a lot of teeth. It does not have the authority to really drive the strategic direction of the current BSA. We are putting that together for the commission. I have already introduced legislative changes to bring about that commission. The first task will be to appoint a commissioner to the commission.

One of the issues that came out of the parliamentary inquiry was the perceived conflict of interest between the different functions of the BSA. On wider consultation most of the stakeholders recognised that issue but believe that the functions should still remain together for efficiency but that it was important to fire wall the functions of the organisation from each other so we can have real independence. That will be the first task that the commission undertakes.

Points 3 to 10 revolve around looking at appropriate review mechanisms of decisions and looking at having a better suite of domestic building contracts. We want to review the areas of licensing and compliance and see who comes under the control of the new commission. We want to develop education modules and packages for both homeowners and consumers and also look at continual professional development for builders.

We need to look at the Building and Construction Industry Payments Act, the BCIP Act, and introduce a rapid adjudication dispute model. One of the problems has been that there have been legislative restrictions around when the BSA could intervene in a case and bring about resolution. We are looking at being able to do that far earlier than we currently can.

We are looking at retaining the Queensland Home Warranty Scheme but considering whether there needs to be greater definition and clarity around that scheme. We are also looking at the role of private certifiers and making sure they are accountable and making sure they actually do the job they have been asked to do. We are also looking at the licensing of the new commission.

Our whole aim is to make sure that we do have a balance between the rights of consumers and those of building contractors. We want to reduce the number of complaints there are at the moment and stop them from getting to QCAT. Not only do we want to limit the number, but we want to try to address the ones that inevitably will occur from time to time far earlier than we can at the moment. I am looking forward to seeing those reforms play out over the next short period of time.

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

**Mr SHORTEN:** I am regularly contacted by local businesses that tell me it is very difficult to deal with government. On page 3 of the SDS mention is made of the procurement transformation program being undertaken by our government. Can you please inform the committee about the government's new approach to procurement and how this new approach will save the government money and make it easier to do business with us?

**Mr MANDER:** Thank you for that question, member for Algester. It is a good opportunity to talk about one of the major reforms that is occurring in my department. The Queensland government spends around \$11 billion each year on goods and services. It is incredibly important that we do this well and we do this in a way that gives best value for money for Queensland taxpayers. In the past the system has been incredibly prescriptive. It has been compliance driven. It has been agency centric. It really has been very difficult, as you mentioned, for businesses to engage with government.

So we need to look at ways of making it a lot easier than it is at the moment. This process has led to a lot of waste and a lot of ridiculous outcomes. I will give you an example. Under the policies of the former Labor government the procurement practices were so uncoordinated and not integrated. At the moment you can get one of 395 different pens in the Queensland government. If that is what is happening with something as small as pens, can you imagine the money that we are wasting with the higher levels of expenditure? Under the new procurement process there will only be 10 types of pens that will be offered from three suppliers.

That is the type of thing we are trying to address and we will be doing that in this new policy that we have brought in. It has a number of principles. The No. 1 principle is that we will be driving value for money for our procurement. We will be acting as one government, making sure that we can better coordinate our purchases across government sectors, making sure that it is far better coordinated than it has been. We want to be the leaders of procurement practice. We want to model very, very good procurement practice for the rest of industry as well, and we want to make sure that we have a holistic approach to our procurement, making sure that we advance the economic, environmental and societal needs of the government as well.

We want to restore confidence back into the procurement process for stakeholders. We want to engage with them far earlier than we have in the past. We want to understand the market and help them to understand what government is requiring. If we do this, we believe that we can save millions and millions of dollars. We are going to cut the red tape. Previously it was a 36-page policy document. The new document is two pages, with eight pages of supporting principles. It will be a lot easier to administer, a lot easier to operate and in the end will give better results. We are hoping that over a five-year period we will save anywhere between \$600 million and \$1.3 billion. The first wave of changes is taking place. We are in that process at the moment. It is over 90 to 120 days and we will save between \$60 million to \$120 million. So this is good news for those who want to engage with the government in terms of the services and goods that we require. It is also good news for Queensland taxpayers.

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

**Mrs MILLER:** I would just like to take the minister back to page 2 of the SDS and his so-called Housing 2020 strategy. Minister, as you probably won't be aware, I took the liberty of contacting real estate agents in my electorate to understand what the going rate for units and housing is in my electorate. In Goodna today a unit is going for \$225 a week, with the cheapest two- or three-bedroom house starting at \$270 per week.

Minister, as most real estate agents do not allow people to rent properties if they spend more than one-third of their income on rental properties, this would mean that people would need to earn at least \$675 per week to afford accommodation in the private rental market. I take you back to your

comments where you have said that your aim is to have 250,000 people moved out of social housing that you are responsible for into the private rental market by providing appropriate pathways.

Minister, given that they are going to have to earn at least \$675 per week to afford the cheapest accommodation, how do you expect low-income earners—or, as you describe them, 'marginalised people', for heaven's sake—to do it? How do you expect them to lease a private unit or a private house?

**Mr MANDER:** Let me just correct one of the assumptions that you made. The aim is not to move 250,000 households out of the public housing system. The aim is to stop 250,000 people entering the public housing system.

**Mrs MILLER:** Well, that is different.

**Mr MANDER:** There will be some who will be able to move out of the social housing system with the right guidance and with the right assistance.

**Mrs MILLER:** Minister, where are they moving from?

**Mr MANDER:** As I mentioned earlier, thousands of people are entering housing service centres on a weekly basis across this state looking for housing options. With the short supply of housing that we have and 23,000 households on the waiting list, it is imperative that we find alternatives. So we will be, as I mentioned, beefing up some of the very successful products that we use at the moment. We are looking at the RentConnect program, which has been very, very successful; the Bond Loan program, which assists people getting into the private rental market; rental grants, which do that as well; and of course there is NRAS, the National Rental Affordability Scheme, where under that scheme landlords cannot charge more than 80 per cent of the market rate. So those types of developments will be happening in electorates like Bundamba and right across the state as part of the 12,000 additional social and affordable housing units. We believe it is possible, and we will be doing everything that we can to bring that about.

**Mrs MILLER:** Minister, I refer to page 2 of the SDS and your Housing 2020 strategy. As the maximum fortnightly payment for a single person with no children is \$497 on Newstart—and I seek leave to table the documents.

**CHAIR:** There being no objection, leave is granted.

**Mrs MILLER:** Thank you. And if they were receiving the maximum rental assistance payment of \$123 per fortnight, they would only earn \$620 per fortnight—that is the maximum they can get—which is \$310 per week. That actually locks them out of the cheapest private rentals available. It locks them out. I am not talking about Brisbane, or the Sunshine Coast or the Gold Coast; I am talking about Ipswich, the cheapest areas of Ipswich. Minister, your new Housing 2020 strategy is already flawed, isn't it, because you have not sat down and done the sums yourself? So it is a con. It is a con on all Queenslanders, isn't it?

**Mr MANDER:** I could not disagree more. My staff and my department have been working through the strategy for some time and looking at, of course, ambitious goals but goals that are also realistic. Not everybody will be able to be diverted to the private rental market. There will be transitional arrangements that are made for many people. This is another key part of the strategy in that we see a triage system operating where people will enter into the housing sector. No matter how they enter it—through what agency or through what service, whether they be homeless or looking for some sort of accommodation on an ongoing basis—we will be able to case manage people, track them through the system, make sure that there are tailor-made strategies for each individual household or person to make sure that we meet their needs accordingly. Of course it is not a cookie cutter approach; every person is different with everybody having different needs. It is horses for courses. Not everybody will be able to go into the private rental market. I already acknowledged that earlier. There are some people that we recognise will be in social housing for a very long period of time. That is part of our community obligation to those who are very low-income earners, but I still believe that those targets are very realistic.

**CHAIR:** Minister, I refer to page 18 of the SDS where it states that the department will build and acquire 15 buildings for government employee housing in rural and remote communities, costing \$5.3 million. Can you inform the committee in what communities will this building work and acquisitions take place?

**Mr MANDER:** Thank you, Mr Chairman. Government employee housing is a very important part of the housing portfolio of the Queensland government. It is very important that we have appropriate housing and also available housing in remote areas so that government employees can

more easily settle in those areas. We currently have around 5,270 government employee houses. Around 3,500 of those are what we call general purpose and around 1,500 to 1,600 are what we call operational—part of hospitals, part of police stations. They are not independent, if you like.

We have gone through and done an audit of all of those houses to work out exactly what work was required on each of them. I was very encouraged recently on a trip out to Woorabinda. On the way back I dropped into Dingo State School, where one of the teachers had had an issue with the housing there. QBuild had got on to it fairly quickly. It just re-emphasised the point to me that it was important that we have good, appropriate, comfortable housing in these areas.

So we are looking at the moment—we have not made any final decisions—at where this money will be spent. But particularly in some of the Indigenous areas there is a very high need. Places like Thursday Island, Doomadgee and Weipa have been identified as needing more employee housing support. No doubt they will be part of this. We will be continuing to assess the needs of other areas as well to make sure we have appropriate housing there.

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

**Mr WOODFORTH:** Minister, I refer to page 43 of the Service Delivery Statement where it states that an estimated \$66 million of backlog maintenance was delivered through the Advancing Our Schools Maintenance program in 2012-13. Will the minister advise if schools are obliged to use Building and Asset Services or if they are free to choose between BAS and a private contractor to perform school maintenance?

**Mr MANDER:** Thank you very much, member for Nudgee, for your question. This is one of the great initiatives of the Newman government. We inherited a huge backlog of maintenance in schools. It is important that our schoolchildren have the best possible facilities and have the safest environment in which to spend their days. So one of the announcements that the Newman government has made in successive budgets has amounted to \$300 million going towards that backlog.

One of the changes that we brought in is that we have now given the option to schools. Whereas in the past they were tied to QBuild, they now have the option to contract out those services themselves, which some principals have elected to do and some P&C associations have been part of that. I know that in my electorate there have been one or two schools that have elected to do that. We also gave them the opportunity to continue to use QBuild or what is now known as Building and Asset Services.

The department has delivered more than \$66 million of Advancing Our Schools Maintenance during the last financial year. Of this, all but around \$974,000 was delivered by private industry contractors. So the department has been contracting that work out as well and that achieved some great savings in this program due to these new methods of program delivery. We have gained between a six and 22 per cent saving, which is an average of 16 per cent saving. I think that is a great result and at the same time we have a safer and more pleasant environment for our schoolchildren.

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

**Mr GRIMWADE:** I refer to page 10 of the SDS and congratulate the department on the reduction of real estate red tape by removing the sustainability requirements. Minister, what other redtape reductions have been achieved by the department or are currently under review?

**Mr MANDER:** Thank you for that question. This government is committed to making homes, and new homes in particular, more affordable. So we have been doing whatever we can to bring about that outcome. We have brought in a number of reforms that we believe have reduced the price of building a house. One of those has been the issue of rainwater tanks. Up until recently it was mandatory to have a rainwater tank as part of the construction of a new home. We believe that consumers should have choice in these matters. People can decide whether they have a rainwater tank or not. Many hundreds of thousands of people do decide to have one, but we do not believe that that should be mandated. But we did not want to make that decision without going through the appropriate process. We went to the Queensland Competition Authority and asked them to do a study on this and work out what the value of this to the community is or is not. They came back and said there was no positive value over the long term to the community for having rainwater tanks mandated. So we have taken that away, thus saving around \$5,000 per home.

One of the other things we have changed is that it is no longer mandatory to have energy efficient hot-water systems in new homes or when replacing a hot-water system. Again, we are not saying these things are good or bad. What we are saying is that people should have a choice in these

matters. We thought it was particularly unfair that a household whose hot-water system unexpectedly broke down was forced to spend \$4,000 to \$4½ thousand on one of these energy efficient hot-water systems. They may want to do that and they still have the choice, but it is no longer mandatory.

We have also introduced a new plumbing category called notifiable works to reduce approval time. A lot of red tape has been removed so we do not have an unnecessary bureaucratic process for basic plumbing work that needs to be done. We have also looked at the pool fence approval process. Again, it is not about putting new fences in but replacing old ones and making that a lot easier through red-tape reduction and reduced cost. That is what we have done. In the future we are looking at streamlining the approval process for building over or near water or sewer mains. I have already mentioned the procurement policy that we have been reviewing. We are also looking at Queensland building codes to see what efficiencies and red-tape reduction we can achieve there.

**Mr WOODFORTH:** Minister, I refer to page 4-12 of the SDS where QFleet is discussed. How is your department addressing waste and reducing government expenditure on its vehicle fleet?

**Mr MANDER:** I thank the member for Nudgee for the question. QFleet was an area that came under reform because of the incredible cost associated with it. Over the last 12 months we have made a number of changes which have brought about a significant reduction in expenditure. We reduced the fleet by 14.7 per cent. That has been a great cost saver. We also put a 12-month freeze on the purchase of new vehicles. Those two reforms together have netted \$120 million worth of savings. We have changed the lease lengths from three to four years as well. Our auctions have also been outsourced. I think this week was the first time that has taken place. Manheim Auctions are doing that now for us. There have been some good changes occurring there. Some efficiencies have been brought into the system and we have saved a heck of a lot of money.

**Mr WOODFORTH:** What savings have been made from the closure of QFleet at Zillmere, which is in my electorate?

**Mr MANDER:** Thank you for that question. As you know, the workshop at Zillmere was mainly used for preparing cars for sale and auction. As I have mentioned, we have already outsourced the auction and preparation for sale processes. We have saved \$3.2 million in annual operating cost, and around \$1.5 million in savings have come from outsourcing the auctions. So they are further savings in my area.

**Mr WOODFORTH:** Minister, page 3-6 of the SDS refers to reforms to the Queensland Building Services Authority. Will you work to implement reforms in order to reduce complex red tape and streamline the certification process?

**Mr MANDER:** Yes, we will. As I mentioned earlier, we went through this major review of the BSA. One of the issues that continued to come up was the certification process. There has been a whole range of discussions about what certification should take place, at what stage in the construction of the building, who should be certifying, how they should be certifying, how the certifiers should be kept accountable, and what penalties should apply if certification does not take place in the proper manner. That has been caught up in the implementation process by the implementation committee that I have put together. We do not want to wait for the commission to come into being. We want to start this process immediately, and that is part of that 10-point action plan—point 9, to be specific.

We have also looked at reducing some of the red tape as well. We will be introducing some legislative amendments shortly which look at section 42 of the QBSA Act. We have this very frustrating and some would say ridiculous situation at the moment where, for example, if a civil contractor or electrical company were part of a development and they wanted to build something as part of that development, they themselves had to be building contractors. Now, of course, they would get building contractors to do the job, but the legislative requirements at the moment require them to be a building contractor. That is obviously ridiculous so we are changing that. We are also reviewing how licences are administered by the BSA as well. Are there too many? Are they all warranted? We are continuing to look at reforms to make it easier for the regulator and to protect consumers.

**Mr BYRNE:** Minister, I heard your earlier comments regarding the BSA. I particularly want to inquire about the review panel you set up. What was the cost attributed to that review by that panel?

**Mr MANDER:** Thank you for the question. It was really important after the parliamentary committee handed down its inquiry recommendations that we reviewed that and reviewed it well. So what I did was put an expert panel together. That expert panel was made up of the director-general, Mr Neil Castles. It was chaired by Mr Phil Kesby. Also on the panel were Mr Andrew Wallace and

Mr David Hanna. I should also say that as part of the process there was a further consultation process through KPMG. The cost associated with that process was \$372,000.

**Mr BYRNE:** I note that you just said you chose the panel. What qualifications did the minister look for in terms of those appointments to the panel given the minister labelled the group an expert panel? What experience, particularly in consumer law for home construction and residential construction and insurance, did each of the panel members bring?

**Mr MANDER:** They had a wide breadth of experience. Of course the director-general works in this area and is a great authority on a lot of those affairs. Mr Phil Kesby has been in the building and construction industry for many, many years. Andrew Wallace was not only a carpenter but also a builder, building contractor, barrister and has acted as an adjudicator in many BCIPA matters. Mr David Hanna is a high-ranking official with the Builders Labourers Federation. It was important that we had a cross-section of people. We did consult with consumers as well. Unfortunately, there was no natural consumer group that we felt could provide the representation that was required, but through the consultation process that took place we made sure that consumers had a great say, which they did in your parliamentary inquiry as well. As part of the ongoing process in governing the new commission, there will be a subcommittee which will be made up of consumer reps that will continue to have input into the policies of the new commission.

**Mr BYRNE:** I am not questioning the credentials of those panel members, because I am well aware of who they are. I was asking specifically about the residential construction and insurance component of any review, and nothing that you just said has enlightened that. But I will leave that for another day. What were the terms of reference of that panel and are those terms of reference publicly available?

**Mr MANDER:** The terms of reference were to take on board the 42 recommendations made by the parliamentary committee to engage in further consultation across the sector and to come back with an implementation plan on how we might bring those about. It was important, of course, to make sure we had a balance between industry and consumers. So they were the terms of reference.

**Mr BYRNE:** Are you willing to table the terms of reference for the committee?

**Mr Castles:** We will table them.

**Mr BYRNE:** Thank you. To move on, what was the percentage of unresolved complaints in the BSA from 1 July 2012 to the present?

**Mr MANDER:** I will wait for those figures to come forward. They will be available. As I mentioned earlier, the BSA has done an admirable job in dealing with the complaints that have come their way. It is a particularly difficult area when you are dealing with high emotion. When you have to make a judgement, more often than not the person who is on the wrong side of the judgement, or who perceives they are on the wrong side of the judgement, is not always happy. I am just waiting to see if those figures come forward.

**Mr BYRNE:** I am happy to wait for them to come up.

**Mr MANDER:** I will put them on notice for you.

**Mr BYRNE:** I suppose you have already commented on the point I was getting at. You said that they have been very successful in dealing with complaints relative to many other complaints received by other arms of government. So you have already acknowledged that, and we agree. The previous government commissioned a KPMG review on the operations and structure of the BSA. I assume you have read that report. It is one of the main reports produced over the last couple of years. Can the minister advise what aspects, if any, of those KPMG recommendations were adopted and incorporated in the panel's report and the subsequent government approach to the BSA?

**Mr MANDER:** Thank you for that question. I will defer to the director-general, who was on the review committee, to answer that question.

**Mr Castles:** Obviously the KPMG report was done by the previous government. The organisation we used to do the consultation was KPMG—

**Mr BYRNE:** Yes, I know that.

**Mr Castles:**—and it was the same partner that was responsible for the previous report. That partner attended for a certain time all of the meetings of the review panel. At the same time the parliamentary inquiry into the QBSA superseded the recommendations coming out of the KPMG report, but no doubt during the process what came out of the KPMG review was considered.

**Mr BYRNE:** Can the minister advise the committee of the cash reserve status of the BSA? Does he agree that this is a very healthy financial position, placing the BSA on one of the strongest economic footings of any government agency? Will he rule out any government intention to raid those funds which essentially belong to consumers?

**Mr MANDER:** Before I do that, I will table the answer to your previous question about the level of complaints.

**CHAIR:** Minister, do you seek leave?

**Mr MANDER:** Sorry, I do seek leave.

**CHAIR:** Leave is granted.

**Mr MANDER:** I will defer to the director-general on this question.

**Mr Castles:** With the response back to parliament, there is an absolute commitment to the efficacy of the new QBSA or the new Queensland Building and Construction Commission. The QBSA is in a healthy financial position. Most of that relates to insurance reserves. There is a commitment that there is capital adequacy or the potential framework that sits around the insurance business within in the QBSA is maintained going forward.

**Mr BYRNE:** Director-General, were you around in the system when the previous conservative government was in? What financial position was the BSA equivalent in at that point?

**Mr Castles:** No, I was not.

**Mr BYRNE:** The point I am making is that we do not want a return to that. There is a commitment now not to return to the situation that existed previously, in financial terms, with the BSA or its successor.

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

**Mr BYRNE:** There is a commitment to maintain that financial viability and security of the BSA; is that correct?

**Mr MANDER:** That is correct. We do not see any major material change financially.

**Mr SHORTEN:** I refer to the amalgamation of QBuild and Project Services into a single, integrated business unit. What have been the benefits of this amalgamation and how are we achieving value for money and best practices across Queensland?

**Mr MANDER:** Thank you for that question. The amalgamation of QBuild and Project Services is a classic example of the philosophy of this government. That is, we are moving from being a direct provider of services to being a manager and procurer of contracts. As I said, this is a very good example of that.

By doing this merger we have been able to reduce operation costs. We have been able to improve coordination of building services right across government. We have been able to engage with the private sector to deliver building, construction and maintenance services, and I mentioned some of those figures earlier. We have increased private sector capacity in remote, regional and Indigenous areas. We are currently outsourcing 85 per cent of work. This will only increase in the future. Through all of this, we have been able to get anything from six to 22 per cent savings because of more efficient ways of bundling up in the way we operate. We have been able to work across agencies and look at working not just in one location but in a number of different facilities in one location or in various locations. That has enabled us to get these savings. It has been a very successful reform and we are confident that we will continue to see great benefits there in the future.

**CHAIR:** Minister, I am just clarifying in relation to the terms of reference for the QBSA review. Either you or the director-general said that you would have them tabled. Do you want to table them now or when you get them?

**Mr Castles:** They are 10 minutes away, Mr Chairman.

**CHAIR:** We will leave it until you get them. I call the member for Morayfield.

**Mr GRIMWADE:** Minister, page 42 of the department's Service Delivery Statement outlines plans for Building and Asset Services, which will become a procurer of building works and contract manager. What benefits will the new BAS structure deliver for Queensland?

**Mr MANDER:** This is a classic example of how we are changing from being a direct provider of service to being an enabler. One of the good things about this is that this is really giving us an opportunity to build the capacity of the private sector in remote and regional areas. I will elaborate on

what I said earlier. One of the problems about sustaining a business in rural and remote areas, of course, is having regular work, so we are looking at work 12 months to two years ahead. We want to be able to provide a pipeline of work for local business—not only that but also a bundle of work. In the past, a QBuild worker might go out to Charleville to fix something in the school and then leave and come back two weeks later to fix something at the local courthouse.

A common-sense approach has been applied to these reforms. It means that not only are we getting great savings; we are also able to build the sustainability of contractors in these remote areas. That is particularly important in a state like Queensland, which is so decentralised and so prone to natural disasters. It is important that we have people right across the state. By doing this, we promote business in local areas. It also promotes the employment of people. When businesses know they have a pipeline of work they are more likely to put on an apprentice, for example. Those savings are happening. That is just one of the many reform outcomes that have been achieved and that are giving great savings to Queensland taxpayers.

**CHAIR:** Minister, I refer to page 60, QFleet. The SDS states that the section manages 11,800 vehicles throughout the state and that you are considering four-year, or more, lease terms for new vehicles and taking into account utilisation levels, operational environment, manufacture warranty terms and the used car market. Can you give some examples of how you think this will work in the future?

**Mr MANDER:** Thank you, Mr Chairman. As I mentioned in an earlier response, there has been big reform in the Q-Fleet area. We have reduced the number of vehicles—that has provided great savings; we have put a 12-month freeze on our purchase of vehicles; and we have changed the lease from three to four years. All of that has been very positive.

The other thing we have been looking at is how we actually use our vehicles. I will give an example. Rangers require four-wheel drives. We have a need for these four-wheel drives both inland and on the coast—in places like Fraser and Moreton islands. Until now there has not been a lot of thought about where we place those cars. Now, in the early part of their life we are using these four-wheel drives in inland areas, where they are not prone to salt corrosion and so on that you get when you are near the sea. Then as we come to the end of their leasing life, when it will not be as important, we move them to the coastal areas. So it is that type of innovative thinking that will get better value out of the fleet we actually have.

**Mr WOODFORTH:** Minister, I refer to page 3, dot point 12. What plans do you have with regard to the removal of asbestos from Queensland government buildings?

**Mr MANDER:** Thank you for that question, member for Nudgee. Asbestos is an issue right throughout Queensland. Of course, in the past it was an integral part of so many constructions right across the state. Management of the asbestos is very important in Queensland government buildings. We do have a program that we are operating. It is a program that makes sure that our buildings are safe and that nobody is at risk of potential contamination. We have a progressive process of removing asbestos that goes over a time period. Of course, we are addressing those issues that need to be addressed earlier—if there is some sort of destruction or some sort of potential exposure. Those things are occurring. In the last financial year we completed 31 projects to 26 schools state-wide. We spent close to \$1 million doing that. That program will continue in the future.

**Mr JUDGE:** First of all, I just want to acknowledge the challenges associated with public housing. I am sure that you are personally sincere in dealing with people in such circumstances. I note your ambition to divert 250,000 people to the private market. I also note page 89 of the SDS, which states that your department is committed to delivering a more client focused service. I have two questions. Firstly, since the defunding of TAAS, what strategies have been put in place to case-manage clients, especially those impacted with conditions like mental illness, trying to access the private market? Secondly, what savings are being made under the new approach as compared to that which had been in place with the TAAS system?

**Mr MANDER:** I will answer your first question first. Earlier I mentioned that we are developing what we are calling a triage service. It is important that the homelessness strategy that I announced and the housing strategy integrate with each other. This is one of the important areas in which they do integrate. There are elements of this happening already but we aim to do this a lot better.

Our aim is to put a process together—there are some software enhancements required as well—such that when people enter into the sector, if you like, looking for housing we will be able to tailor-make a strategy that is relevant to them and we will be able to case-manage them. This is

happening to varying degrees already, particularly in the homelessness area, but it can happen a lot better.

One of the challenges we have in the homelessness area is that about 148 different organisations deliver around 220 programs. All of those programs within themselves are probably pretty good, but there is no coordination or integration. People fall in and out of the system. We actually do not know where they are on a time line, if you like. So we are going to put together a process whereby we can track them, case-manage them and make sure that we know where they are and that they are getting the best possible service. There is a fair bit of work to do there yet. As I mentioned, some of that has already happened in the homelessness area but it can be done far better, and I intend to do that. And your second question, sorry?

**Mr JUDGE:** Once that program is in place, what savings does the government expect to make, rather than relying on TAAS—a proven system?

**Mr MANDER:** We are not looking at savings. We are looking at doing what we do better. I just mentioned some figures. We believe that a more coordinated, integrated approach to this means that we will get better bang for our buck and that more people will be positively affected. So savings have not been the motivation behind the policy. The motivation has been being able to provide the services necessary for those who are in need.

**Mr JUDGE:** Lastly, if you have removed TAAS funding and that system is not ready to go, there is obviously a service delivery gap. How are you overcoming that?

**Mr MANDER:** I see two totally different functions here. TAAS is for the private rental market, and we believe that the services provided by TAAS in the main are provided by the Rental Tenancies Authority. In a very tight fiscal environment it is important that we make sure every available dollar goes towards our Homelessness-to-Housing Strategy, which is what is happening. We believe that the services that were provided by TAAS will be provided by the RTA and some other agencies in the future.

**Mr BYRNE:** I refer to page 4 of the SDS, which lists the 2012-13 achievements of the government as exiting a number of government entities including Goprint. Goprint had a number of reserved services which were tied exclusively to Goprint. At the time tenders were called for the reserved services of printing of election ballot papers, the budget papers and betting tickets for bookmakers, was anyone granted the tender for betting tickets?

**Mr MANDER:** Thank you for that question. I might have to defer to my director-general for that one, thank you.

**Mr BYRNE:** It cannot be a complete surprise. I talked to the racing minister about the same issue.

**Mr MANDER:** We will have to take that on notice.

**Mr BYRNE:** All right. Let's assume that no-one was. We are right or we are not right?

**Mr MANDER:** We are taking it on notice.

**Mr BYRNE:** So we do not know if anyone tendered for the work.

**Mr MANDER:** I will have the full details shortly.

**Mr BYRNE:** What I am pointing to is that we believe no-one tendered for the work. At that point—

**CHAIR:** Member for Rockhampton, you know the rules about assumptions. It is hypothetical. Just move on.

**Mr BYRNE:** I submit that no-one tendered. Did the department liaise with the office of racing to advise them that this work was no longer being undertaken by the government and no tender had been granted to an alternative printer for the work?

**Mr MANDER:** As I said, we will take that on notice.

**CHAIR:** We will move on. Next question, thank you.

**Mr MANDER:** By the way, Mr Chairman, I asked for leave to table the terms of reference.

**CHAIR:** Is leave granted? Leave is granted.

**Mr BYRNE:** During the outsourcing process, were all government departments consulted to ensure that their printing needs could be fully met by arrangements that were going to be put in place?

**CHAIR:** That is the same question. Move on to the next question. I call the member for—

**Mr BYRNE:** So we do not know absolutely anything about getting rid of Goprint at all.

**CHAIR:**—Morayfield.

**Mr GRIMWADE:** Minister, as part of the positive changes resulting from the merger of QBuild and Project Services you mentioned increasing capacity of the private sector in remote and regional communities. Could you please outline what you are doing to achieve this and the benefits it will have for those communities?

**Mr MANDER:** Thank you, member for Morayfield, and thank you for the opportunity to elaborate on what I was saying earlier. Currently we outsource 85 per cent of the work that comes into Building and Asset Services. This means that there are tremendous opportunities for the private sector to deliver the services that were previously delivered by the government. That is something that has been very welcomed by those who receive our services—places like schools—and of course it has been welcomed by private contractors right throughout Queensland.

As I mentioned earlier, we have been able to bundle up work in particular locations. We have been able to plan a couple of years ahead and say that we know that this work is going to be there, there is going to be an ongoing maintenance program, and that has enabled contractors to have some sort of surety of work. That encourages them to stay in towns, particularly in remote areas, and it also encourages them to employ people. It has been very successful and it will continue. We believe that local contractors will benefit, which means remote localities in particular will benefit as well.

**Mr SHORTEN:** Minister, I refer to page 10 of the SDS and red-tape reduction. Can you please detail to the committee the key red-tape reduction initiatives undertaken by your department and the associated benefits of those achievements stated in the SDS?

**Mr MANDER:** Thank you, member for Algeester, for that question. We have been looking at every way possible to reduce red tape. I mentioned a couple of those areas earlier when we talked about energy-efficient hotwater systems no longer being mandatory for new homes or for replacement; rainwater tanks no longer being mandatory; changes to some of the plumbing planning laws so that now plumbers simply need to notify of the works that they do rather than seek prior approval; and the sustainability declarations that were removed as well.

I would like to speak about pool standards. Some great changes have happened in this regard as well. There was a ridiculous amount of red tape when people were looking at replacing or repairing a pool fence. Some common sense has been applied there, and we have cut red tape and costs as well. They are the major things that have been done.

I should also say that we withdrew from the COAG commitments to increase energy efficiency standards for multi-unit residential buildings from five to six stars. That has reduced construction costs by an estimated \$1,200 per unit. As I mentioned, we have also reviewed the BSA, looking at every way possible to reduce red tape. We have also removed the Queensland Development Code air conditioner energy efficiency standard. All of these things are part of red-tape reduction, making it cheaper for Queensland homeowners.

**Mr SHORTEN:** Is your department investigating other areas in which to achieve further red-tape reductions, and can you advise the committee?

**Mr MANDER:** Yes, there are. We are looking at legislation that revolves around building over water mains or sewers. There is quite a complex approval process that takes place at the moment which is very, very frustrating for builders. Whenever they want to build a deck, for example, over a sewer or over a water main, there are a whole range of processes that need to take place. That has caused an enormous amount of frustration and also an enormous amount of unnecessary cost. That is actually before the parliament at the moment and has been welcomed by everyone.

As I mentioned earlier, we are trying to simplify the state procurement process so that it is not so complex, prescriptive and user-unfriendly. We are also looking at the Queensland building codes. We want to cut down on cost for business, and we want to make sure that we have consistency of building codes right across Queensland. They are some of the good things that are occurring. The National Regulatory System for Community Housing takes effect from 1 January next year, and this

will significantly reduce the regulatory requirements involved with community housing organisations. It will make it easier for them to operate and deliver the services that social housing tenants expect.

**Mr GRANT:** Minister, I refer to the procurement program. Page 3 of the SDS refers to a procurement transformation program. Can the minister inform the committee what this program entails and how it will improve government procurement?

**Mr MANDER:** Thank you, member for Springwood. It is good to see you. As I mentioned earlier, the procurement process is something that has been a major reform of not just this department, but right across government. We have adopted a number of important principles with regards to getting the best results. Those principles are outlined in the Queensland Procurement Policy, and I would just like to mention a couple of them.

The first principle is that we must have value for money. It is important that we spend wisely when we are spending \$11 billion a year. The potential is there to achieve great savings, so the drive for value for money is paramount. Secondly, we need to act as one government. I gave an example earlier. Where there are different agencies operating independently with no coordination or integration, it has meant that a lot of money has been wasted and our purchasing power has not been maximised. That is a very important principle that we are taking very seriously. We have a council of directors-general which comes together to make sure that we do act as one government and encourage all agencies to be involved with that process.

There are other elements of the policy as well, of course. We want to model good procurement practice. We want to ensure that we have the right expertise in the right areas. We want to ensure that we are engaging with stakeholders far earlier than we have been in the past so that they know our needs and we know their capabilities. We want to ensure, of course, that our procurement processes are undertaken with the utmost integrity and that we are accountable for them. They are some of the principal changes that are being made, and we believe that they will lead to some outstanding outcomes.

**Mr GRANT:** Do you have an expected financial benefit that is likely to be achieved through the transformation?

**Mr MANDER:** Yes, we do. When we looked at this over a five-year period—and of course that is five years into the future—the original expectation was that we were looking for savings of anywhere between \$600 million and \$1.3 billion. They are significant savings. We have started a wave 1, if you like, of the procurement transformation process where we have been looking at those things that we procure in information and communications technology, the building maintenance and construction area, the medical field, also road construction and maintenance, general goods and services and stationery and travel. Those things are currently being adopted under wave 1 of the procurement transformation process. That is happening over a 90-day period, and we are hoping to see savings within that period of anywhere between \$60 million and \$120 million. We are talking about significant savings.

**Mrs MILLER:** Minister, I refer to page 2 of the SDS and also your Housing 2020 strategy released today. Will you table the implementation plan, please?

**Mr MANDER:** You will have to clarify what you mean by that.

**Mrs MILLER:** Minister, you should know what an implementation plan is. When you announce a strategy, the Public Service would have come up with an implementation plan. Will you please table that plan now?

**Mr MANDER:** I am happy to do that. That is actually part of the strategy document, so I think we have already tabled that. That was tabled earlier, so it is inclusive of that.

**Mrs MILLER:** Thank you. Will you please table the costs of the Housing 2020 strategy?

**Mr MANDER:** The cost of this will be within the current budget for the department—

**Mrs MILLER:** Not good enough, Minister. I want to know what—

**CHAIR:** Let the minister answer the question.

**Mr MANDER:** I will find those exact financial details for you. But if I can speak in general terms, the costs are within the current budget of the department. For any increased costs that may be necessary, that will be leveraged out of the land and property assets that we already have, and that will meet those costs. But I will take the actual cost on notice so that we can provide that for you in due course.

**Mrs MILLER:** You are going to sell off public houses. You are going to—

**CHAIR:** Member for Bundamba, you have been warned. That is twice.

**Mrs MILLER:** I am just asking a question.

**CHAIR:** No. You know the rules as well as I do. Three warnings, and then I will be looking at dismissing you from this hearing.

**Mrs MILLER:** Minister, are you going to sell off houses, sell off land which was owned by your department, and use that money to fund the Housing 2020 strategy—

**CHAIR:** Minister for Bundamba, you know the rules as well as I do.

**Mrs MILLER:** I am asking him a question.

**CHAIR:** Inferences, imputations and hypothetical matters—

**Mrs MILLER:** He can say yes or no.

**CHAIR:** If you ask a sensible question, you will get a sensible answer.

**Mrs MILLER:** No, it is a different question.

**CHAIR:** If you ask a stupid question, you will get a stupid answer.

**Mrs MILLER:** No, it is a different question, Chair. He brought it up. I am just following up his answer.

**Mr MANDER:** I am happy to answer that question, Mr Chair. Of course when you are in the housing department, what happens is that you are purchasing and selling houses on a daily basis. Exactly what took place in the previous government takes place in this government. We are continually looking at how we can upgrade the facilities that we have—how we can get better value out of what we have. I have just come from a site this morning at Holland Park where there were two three-bedroom detached houses on two blocks. We have raised those houses and we are now building six two-bedroom units. That makes common sense. We are going to get more dwellings. Not only that, but we are going to meet the need that we have with regards to more one- and two-bedroom units. That is common sense. It was the practice of the previous government. It is the practice of any housing department to be buying and selling houses on a daily basis.

**Mrs MILLER:** Minister, I refer to page 2 of the SDS and the Housing 2020 strategy. Minister, your media statement says that 'we want to make sure people have access to the help and support they need to give them the skills and resilience to find and sustain tenancies'. Given that your government got rid of the Skilling Queenslanders for Work program, are you now the minister for employment?

**Mr MANDER:** That is obviously not under my portfolio.

**Mrs MILLER:** I refer to page 12 of the SDS. Minister, I refer to an answer provided by the first Minister for Housing and Public Works, Dr Flegg, during the estimates last year. It states—

Lawn mowing provisions within the program specifications remain the same as offered in 2011-12.

I table a copy of the answer for the benefit of the committee.

**CHAIR:** Is leave granted for that to be tabled? Leave is granted.

**Mrs MILLER:** Minister, why then has your department changed its stance, as outlined in this fact sheet titled 'Home Assist Secure Changes'? I seek leave to table that for the benefit of the committee.

**CHAIR:** Is leave granted? Leave is granted.

**Mrs MILLER:** This fact sheet titled 'Home Assist Secure Changes' indicates that from 1 July 2013 ongoing lawn-mowing services will no longer be provided. Minister, elderly people cannot mow their own lawns. Do you expect them to live in a jungle?

**CHAIR:** Member for Bundamba, that is the third time and—

**Mrs MILLER:** That is a legitimate question.

**CHAIR:**—the next one I will warn you under standing order 185 and it will not be long before you will be dismissed from the hearing. Can you rephrase the question?

**Mrs MILLER:** Chair, could you tell me which part of that question you object to?

**CHAIR:** The last bit.

**Mrs MILLER:** Which is?

**CHAIR:** The last bit.

**Mrs MILLER:** 'Jungle'?

**CHAIR:** Move on; yes.

**Mrs MILLER:** Minister, do you expect elderly Queenslanders to live with highly overgrown lawn areas around their homes?

**Mr MANDER:** Thank you for that question. It is important to note that this government is totally committed to the HAS program. It is an important program for vulnerable Queenslanders whom we want to encourage to remain in their homes. It is also important to note that the guidelines for HAS have not changed—guidelines that I imagine were put together under the previous Labor government. They were never intended to do regular lawn-mowing service. The intention of HAS is to support with minor maintenance and modifications and it is to deal with those issues that come up from time to time that need addressing that elderly people or people with some sort of disability cannot do. So it is not meant to be a regular lawn-mowing service, and this is a classic example of what happens with administering programs under Labor—that is, they let programs leak. They do not keep to the original intention of the program—

**Mrs MILLER:** What do you mean by 'leak'?

**Mr MANDER:** They do not keep to the intention of the original program and what happens then is that less people can take advantage of this service. What we have done is maintained the funding for HAS. It is very important to note that. We regard it as an important element of our policy. We have maintained it, but we have clarified what the original intention of the policy is all about. It is not to be a regular lawn-mowing service; it is to be a service that is needed on an ad hoc basis for those who are trying to stay in their homes.

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

**Mr SHORTEN:** Minister, I refer to the SDS at page 16 and to the discontinuation of the Travel Management System. Why was the decision taken to discontinue the TMS?

**Mr MANDER:** Thank you, member for Algeester, for your question. This was a service that has been going for some time and never reached the hype that it was originally promised to be able to achieve. It is in a lot of ways another Labor IT system disaster. It should have saved \$5 million but only saved half that amount and is only used in half the areas that it was planned to after five years because, unfortunately, the system is flawed and full of bugs. The system does not talk to other systems; it is not very user friendly. One of our major departments—education and training—does not even use it. On top of that, there has been a cost blow-out to the system and we have not even reached 50 per cent rollout after a nine-year period. So for many of the departments 40 per cent of travel is still done the old-fashioned way where forms are filled out, and this is despite the system rolling out in 2004. It was supposed to cost \$2.2 million; it has actually cost \$7.68 million—a 250 per cent blow-out—and it is important now that we review that system and work out how it can be done better. So it has really been a very unsuccessful system—a system that is not being used by a lot of the departments. It has not reached the savings that it promised to do, so we are looking at overhauling that and going to the market for a new system.

**Mr SHORTEN:** Thank you.

**CHAIR:** Minister, I refer to page 2 at dot point 10. The government is renewing and reconfiguring social housing, and I ask: how are the five major renewal projects at Logan, Gold Coast, Mount Isa, Townsville and Gladstone progressing? Would you consider extending those projects further throughout Queensland?

**Mr MANDER:** Thank you, Mr Chairman, for that question and thank you for the opportunity to update the committee on some of the major urban renewal projects that we have in mind—some underway and some yet to come. Of course we all know about Logan—the Logan Renewal Initiative, a very bold initiative of 4,800 social houses or thereabouts in the Logan area that make up eight per cent of the Logan district. We have gone to the market to seek revitalisation of that sector and with the increased dwellings we are looking at the management of those dwellings as well—that is, property management and tenancy management. We have so far gone through a tender process and it has been a very good process in helping us understand the sector and helping the sector understand our requirements as well.

We are continuing to negotiate and deal with the three major proponents and we expect to be able to make an announcement early next year about this because we hope that this will be a prototype for many further urban renewal development projects. The Gold Coast will probably be the next one on the list after that and then we are looking at Gladstone, Townsville and Mount Isa. You will note that those areas are right across Queensland and right across the political spectrum as well and we are determined to make sure we go to areas of need and address those areas as quickly as possible. It is not appropriate to have a cookie-cutter approach with this; it is important to have a region-by-region approach, and the needs in terms of housing in Mount Isa are totally different from the needs in terms of housing in the Gold Coast. That is what we are intending to do.

**Mr GRANT:** Minister, I note that on page 4 of the SDS the government will contribute \$9.1 million to incentives in the National Rental Affordability Scheme delivering some 4,800 new private rental dwellings. What are the benefits of NRAS to electorates such as mine in Springwood and will the government look to support further incentives?

**Mr MANDER:** Thank you for that question. NRAS plays a central part in us delivering the 12,000 additional social affordable housing units across Queensland. We have been very actively involved in NRAS to date. Through rounds 1 to 4 there were just short of 11,000 incentives that were allocated, and 5,200 homes or thereabouts have been delivered and there are around 3,500 currently being constructed. As we can see, there is some serious construction taking place. The great benefit of NRAS is that it provides more affordable housing options. Landlords cannot charge more than 80 per cent of market rate, and that is great for those who are looking to get into the private rental market. We are also part of round 5 of NRAS and I know we have been awarded 200 shovel-ready projects and an additional 2,000 incentives have been allocated for beyond 2014. As I mentioned earlier, for electorates like Springwood and right across the state, they will provide some very sound, affordable housing options.

**Mr GRIMWADE:** Minister, I refer to page 3 at dot point 1 again addressing Indigenous housing and overcrowding and I note that \$237.7 million has been provided to construct at least 204 dwellings. Minister, how are they being designed to meet the local needs? For example, housing in the Torres Strait islands and Cape York would have different climatic needs to those in Southern Queensland. How are other states progressing with their delivery?

**Mr MANDER:** Thank you for that question. One of the delights of my portfolio is providing housing for Indigenous communities. I have just come back from quite a number of communities over the last few weeks looking at some of the housing outcomes that have taken place. I have been to Woorabinda, Napranum on a couple of occasions, Aurukun and right up in the northern peninsula at Bamaga, and there are some great results there. We now have 152 homes that were delivered in the last 12 months. Against all odds those houses were delivered, and I take my hat off to the officials of my department who helped deliver that. Despite severe weather conditions and natural disasters throughout the year and despite delays in the decision-making process because of late local council elections, they managed to deliver those houses.

I went to Aurukun, as I mentioned, and talked to a lady named Cecilia who was living in a house next door where 18 people were living. She said that she was longing to see the house next to her being built knowing that that was the house that she and her family would occupy. When I handed the keys over to her, she had tears rolling down her face as she was about to take possession of a rental property that she had never, ever had before. It was brand new. The kids were excited. Not only were they going to be in better accommodation; their lifestyle was going to be totally different because they had their own space. This has happened right across the state.

We have worked in cooperation with the local councils to make sure that we provide houses that are suited to their needs. We have seen some wonderful homes built. In Woorabinda I was in a five-bedroom house that had a modern kitchen and a huge deck out the front. They were absolutely delighted with the houses—spacious yards, all turfed. Going into Woorabinda and looking to the left, that new suburb would fit any suburb in Queensland and people would be proud to have those houses in their community. So we have delivered those homes. We are continuing to engage with the councils very closely, because it is important that we provide homes that they are happy with. It is also important that we provide educational and training opportunities for people in the communities as well so that they can not only be part of the construction but part of the ongoing maintenance. So there is some fabulous work happening there.

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

**Mr BYRNE:** Minister, I refer to page 76 of the Capital Statement. A number of projects that were listed in last year's Capital Statement should have been finished last financial year but have been carried over to this financial year. I am referring to the new office building in Cairns and the Boggo Road precinct redevelopment. Both these projects should have been completed last financial year, but something has caused them to drag into this financial year. When were those projects scheduled to be completed? Have these projects been completed now and are they open and being used?

**Mr MANDER:** Sorry, member for Rockhampton, but what was the first one? The second one was Boggo Road. What was the first one?

**Mr BYRNE:** The first one was an office building in Cairns.

**Mr MANDER:** Okay. I will defer that in a moment to the director-general. Just before we go any further, I want to make a correction for something I said earlier. I said that in NRAS round 5 the shovel-ready incentives have been awarded to the department. That is actually not correct. The federal government says that they will support our application for 200 incentives, so I was just getting a little bit ahead of myself. Sorry about that. I might defer to the director-general to answer that question.

**Mr Castles:** We may have to get back to you. I will have to get back to you on that.

**Mr BYRNE:** Right.

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

**Mr BYRNE:** We do not know about a capital works program.

**CHAIR:** Thank you for that response. Next question, member for Rockhampton.

**Mr BYRNE:** How much of last year's \$128 million capital works budget for the Public Works function of your department was expended in the financial year to 30 June? Was there an under or overspend?

**Mr MANDER:** Again, I will defer to the director-general.

**Mr Castles:** In relation to the expenditure last year, there was an underspend by around \$26 million for the last financial year. The two areas of underspend were the Townsville government office accommodation and the accommodation initiative in Ipswich, which are continuing. It is a timing—

**Mr BYRNE:** So there is a \$126 million budget and there is a \$26 million underspend in that budget; is that correct?

**Mr Castles:** That is right. Those funds will be spent in the early part of this year, both in Townsville and in Ipswich. The staff will be moving in later on this year.

**Mr BYRNE:** Do you know enough about these projects to explain why that Gantt chart has slid so far right?

**Mr Castles:** Again, it is just timing. It is around completion. They are private sector developments; they are not our developments. The private sector is building the accommodation in Townsville and it is building the accommodation in Ipswich and we are relying on them to complete before we move in.

**Mr BYRNE:** Right. Is there any variation to those projects based on the slide in the delivery schedule? Have there been any variations to the original cost schedule?

**Mr Castles:** I will have to get back to you on that, because I am not aware of it.

**Mr BYRNE:** Okay. I am happy to do that. I refer to page 76 of the Capital Statement. Minister, can you confirm that your department will be spending less this year than last year on government employee housing? How many units of accommodation are held by the government? What sort of money is likely to be spent on them?

**Mr MANDER:** As I mentioned earlier, we have approximately 5,300 government employee houses. I will just get clarification of those figures. They are made up of around 1,500 that are part of what we call operational environments—things like hospitals and police—and around 3,500 are just detached housing that is right across the state. We have done an audit on those houses of late and realised that there was certain maintenance that had to be delivered to bring them up to the standard that was required. The 3,500 houses are worth \$960 million and it is estimated that we will need expenditure of around \$110 million to bring that general purpose stock up to the standard that we

would expect. We had 20 houses built last year and we plan to have 15 built in 2013-14. Are you looking for the actual figures?

**Mr BYRNE:** That is what I am looking for.

**Mr MANDER:** Are you looking for the figure or just the numbers?

**Mr BYRNE:** Numbers are fine.

**Mr MANDER:** Numbers. So there were 20 built last year and we are planning to build 15 in 2013-14.

**Mr BYRNE:** Right. I know we do not have the answers to this, but I am not sure how the budgetary arrangements work with the department. That is why I am asking. We have an underspend in our capital program moving up to the end of the financial year. Is there an automatic carry forward of allocation against those projects into the next financial year?

**Mr Castles:** Yes, it is a carry forward.

**Mr BYRNE:** Right. So there is no automatic hoovering up back into the bottom line of the budget?

**Mr Castles:** Because in essence what we are waiting for is for the building to be completed so we can do the fit-out of the buildings.

**Mr BYRNE:** Right. So you can carry forward into the next financial year and not bleed down the following financial year? It is an allocation. Okay.

**Mr Castles:** No, public servants are moving in there in the later part of the year and the fit-out is being completed in accordance with that.

**Mr BYRNE:** I refer to page 76 of the Capital Statement. Can you provide an itemised breakdown of the expenditure listed under 'Other property, plant and equipment' that will total \$8.312 million for 2013-14?

**Mr MANDER:** Okay.

**Mr BYRNE:** Will you take that on notice?

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

**Mr BYRNE:** Can you provide an itemised breakdown of the expenditure listed under 'Other property, plant and equipment' which will total \$8.312 million for 2013-14? That is on page 76.

**Mr Castles:** Yes, we will have to table that.

**Mr BYRNE:** That is fine.

**Mr MANDER:** Mr Chairman, in relation to a previous question about the betting slips, my advice is that betting slips have not been considered as part of reserve services for quite a number of years. So obviously that is why they were not consulted. It has not been part of reserved services. I have taken that advice from the department.

**CHAIR:** Thank you for that.

**Mr Castles:** We can come back with the breakdown of the \$8.312 million of other plant and equipment: \$84,000 was with respect to the accommodation initiative at Carseldine; the base capital program was \$5.202 million; Brisbane Roma Street Parkland is \$400,000; Cairns Convention Centre, the capital plant and equipment purchases upgrade is \$749,000; cyclone shelter maintenance is \$400,000; the Gold Coast convention centre plant and equipment is \$525,000; at Mareeba the new government office building and learning centre is \$50,000; the Thursday Island government office building is \$200,000; the building division, plant and equipment, is \$244,000; plant and equipment at the procurement transformation division is \$52,000; plant and equipment within corporate at head office, which is computers and so forth, is \$158,000; and other plant and equipment is \$248,000 for head office.

**Mr BYRNE:** Thank you.

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

**Mr GRIMWADE:** I have a supplementary question to the last question in regard to Indigenous housing. With these Indigenous housing projects, and considering once a design has been approved, will you be encouraging local Indigenous builders in those communities to play a big part in the construction of those homes?

**Mr MANDER:** Thank you for that question. It is a very good question. We will be most definitely doing that. There is no greater example of this than the community of Napranum, headed up by a very progressive mayor, Philemon, or Phil as he is known by most people. He has done a tremendous job there in engaging his community in the construction of the homes. I have been out there a number of times and at one of those times I was honoured to address a group of probably 15 or 16 men who were part of a whole-of-community engagement process who had committed themselves to being involved with this building process. These were men who came from varied backgrounds. Some of them had some prison backgrounds behind them, but suddenly they had a sense of purpose. They busily involved themselves in the construction of the houses at Napranum. There are some fantastic homes there as well. One of the great things that has resulted out of this which they mention themselves is that there has been absolutely no vandalism whatsoever of these homes. Why not? Because they have been part of the construction process. They regard these homes as being theirs. So we want to use the model that is being used at Napranum right across Indigenous communities. I have a phone hook-up tomorrow with five of the mayors, including the mayor from Napranum, to encourage them to be involved in a similar process so that we can have real training opportunities for Indigenous locals, as I said, not just in the construction but also in the ongoing maintenance. We are looking at the future delivery of those homes at the moment, putting contracts together. At the forefront of that is principal contractors, where they will be able to really dictate some terms along those lines.

**CHAIR:** Right. Minister, in relation to the design of those houses, there are a few options out there. Obviously, you need different houses for different climates up there. The Torres Strait is different from the mainland. Will there be an opportunity for those communities to make some of the products in their area or will the buildings be trucked in? Will they be prefabricated or of the sort that I have noticed where they almost fold up? They seem to be quite ideal in some instances.

**Mr MANDER:** It is a combination of all of those things. As we engage with the local councils, they all have different views on, firstly, what housing they should have—and that is understandable because they have different climatic conditions—and, secondly, what the community would accept. Some like particular styles and some like other styles. One of the great things about my visit to Woorabinda—and the director-general will correct me if I am wrong here—is I am reasonably confident that the kitchens were built in the community and installed within the community from within the community. That is a great example of collaboration between the construction companies and the local Indigenous community as well. So enormous flexibility is available and the communities are really thriving on that. They are getting used to it as well. It is a different style of housing but, as I said, when you see some of these decks that they have and this outdoor living space, they absolutely love it.

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

**Mr SHORTEN:** Thank you, chair. Minister, I note on page 2 of the department's SDS it states—

The department will deliver a number of significant initiatives...in 2013-14.

Included among these initiatives is the three-strikes policy. How has the introduction of the three-strikes policy been received by the community and housing staff?

**Mr MANDER:** This has been a major piece of reform that has been welcomed so very much by the community. As I go around to different parts of Queensland, and particularly in the community cabinet meetings that I have been involved with in a whole range of different locations and also as I deal with a lot of correspondence that comes across my desk about this issue, this is a major point of angst for some people. Let me say from the beginning that by far the majority of social housing tenants do the right thing. They understand that it is a privilege to be in a social housing complex or dwelling. They understand that there is a responsibility associated with that and they do exactly that and they are very good tenants. I live next door to a social housing dwelling and that tenant is a fabulous neighbour. So that is the majority of people. But there are a small minority who do not accept the privilege or who do not understand the responsibility that comes with the privilege and a small minority who need to be dealt with quite sternly.

So the whole idea of this three-strikes policy is to deter people in the first instance from bad behaviour and it is also to help them modify their behaviour. The success of this program will not be judged on how many evictions we have; the success of the program will be measured by the number of people who we can keep in their homes after we provide the appropriate support that may be necessary for them to do that. Nevertheless, if somebody does not play by the rules, if somebody makes their neighbour's life just an absolute misery and does not respond to that, our policy will be

fair but it will be tough. If you are evicted under this three-strikes policy you would have had every opportunity to change your behaviour, to modify it, and you have chosen for whatever reason not to.

This is not designed for those who might have mental health issues or those who are very vulnerable in the community; it is designed for those people who wilfully disrespect the property that they are in. It is costing us \$5 million a year to repair some of our houses due to wilful damage. That is totally unacceptable. I have visited many of these houses and we want to send a clear message to that small minority of people, 'If you do the wrong thing, you have no place in social housing.'

**Mr SHORTEN:** Thank you.

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

**Mr WOODFORTH:** Minister, how do you plan to improve the effectiveness of the homelessness to housing service system?

**Mr MANDER:** Thank you for that question. I must say that I am delighted to take on this part of the sector, the homelessness area. We have an issue that we need to be able to resolve and we have decided that the best way to resolve this issue is to provide essentially a bricks and mortar solution. I mentioned earlier about some of the supported accommodation facilities that we will be building and increasing across the state, but I also mentioned that providing a roof over a person's head is not the only answer. It is important that we have processes in place that make sure that these people get the appropriate support services that they require. It is also important that we keep track of them. So through a triage system, which will be a combination of software and policy solutions, we will be able to bring somebody into the system, assess what their need is, what level of support they will require, what level of accommodation they will need and then tailor make—custom make, if you like—a strategy for them individually. Then we will be able to track them, be able to case manage and be able to provide every service that they need.

I mentioned earlier there are a lot of good services in this sector, a lot of people doing great things and who are well motivated, but it is very uncoordinated, it is not integrated at all. This applies both to government agencies and community organisations. What this triage service will provide is a coordinated integrated approach. We will spend the same amount of money, but we will get far better results because we will get better bang for our buck.

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

**Mrs MILLER:** Thank you, Mr Chair. I refer to SDS page 2 and also page 17 of the document Housing 2020. Minister, it is referred there to housing service centres being reviewed. Minister, will any current housing service centres be shut down, particularly Logan, Ipswich and Cairns?

**Mr MANDER:** As I mentioned earlier, one of the key components of the Housing 2020 strategy is that we are looking to transfer at least 90 per cent of the management of housing to community housing organisations. We do that without apology. That was the policy of the previous government. Also there is a COAG agreement that 34 per cent will be transferred across the nation by the end of 2014 so we are committed to that and, beyond that, 90 per cent by 2020. An essential part of the contracting out to community housing organisations is asking them how they intend to use the staff in the current housing service centres—people who are very skilled, people who have quite a bit of intellectual property, people who I have got a great deal of respect for. Part of the process, as I mentioned, in transferring this management over to the community housing sector is to have them tell us how they are going to deal with the staffing. I believe that the outcome will be that the majority of people in housing service centres at the moment will transfer quite willingly to the community housing sector. Many of them have a very close relationship with this sector already. There is a great deal of respect between both those areas. I believe that those who want to remain in the housing service sector will have that opportunity in the community housing sector.

**Mrs MILLER:** Mr Chair, I refer the minister to SDS page 2 and to the document Housing 2020, page 15, subsection 3 which says 'housing pathways into the private market', and the second part of the page which says 'assist 250,000 low income households into the private rental market'. I also refer to your direct quote in the *Courier-Mail* today, 'There are many others that are actually capable of moving out of the social housing sector and so our aim is to have 250,000 people move to the private rental market by providing appropriate pathways.' Minister, it is clear—absolutely clear—that in the private sector, as I explained earlier today, they only allow one-third of their income to be taken into account for rental. In the public housing sector they usually pay a quarter of their income. So you are increasing the cost of living for the poorest people in Queensland, aren't you?

**Mr MANDER:** As I mentioned earlier, those 250,000 people will be, in the main, people who are not in the social housing sector at the moment. There is no doubt, in my opinion, that there are some people in the social housing sector who, given the right support, given the right guidance and assistance and in some cases education, will be able to transfer to the private rental market. Many have never been asked the question, many have believed in that adage that social housing is something that they will have for life. What I plan to do is look at our policies, look at the products that we offer, that will help encourage people to move to the private rental market. I intend to use a carrot approach rather than a stick approach to have policies that, as I mentioned, prove to be an incentive for people to move into the private rental market.

**Mrs MILLER:** Minister, I refer to page 2 of the SDS where you indicate the large-scale pilot transfers of social housing stock to the non-government sector and comments by the chairperson of Queensland Shelter, who states, 'With the government's ambitious agenda to transfer 90 per cent of public housing stock to community management by 2020'. Will you rule out today privatising the public housing system and the rental role to the private sector, including real estate agents like LJ Hooker, the Professionals, Harcourts et cetera?

**Mr MANDER:** Thank you, Mr Chairman. For the life of me I don't know where you have gotten this thought from.

**Mrs MILLER:** Your department, actually.

**Mr MANDER:** Managing rent for the social housing sector is totally different from managing rent in the private rental sector. Of course, there is regular assessment of income that needs to take place, there is regular assessment of who is in a house and who is not, there are a whole range of factors with regard to making sure that no more than 25 per cent of income is charged. That cannot and will not be done by real estate agents. No matter who manages the social housing sector in the future, and as I mentioned it will be community housing organisations, state government policy will still be maintained. Nobody will pay more than 25 per cent of their income and the houses will be maintained at a level that we expect and that we currently guarantee. So, social housing tenants have nothing to fear.

**Mrs MILLER:** We will wait and see on that. Minister, residents of the Monte Carlo Caravan Park have contacted me and informed me that during minister Flegg's time they established an incorporated association and formalised a proposal to your department for the residents, in fact, to purchase the land and run it themselves. Minister, they have not received an answer from you, Dr Flegg or the department. They have no notification as to whether or not the department is taking them seriously. I want to know why not? When are they going to get an answer?

**Mr MANDER:** Thank you for the opportunity to talk about caravan parks. This is one of the very good policy decisions that this government has made. For some unknown reason the previous government decided to be the owner of three caravan parks with tenants who did not come off the social housing list. The decision was made, and a decision that I support, by the previous minister that these caravan parks should be sold and that we should reinvest those funds into social housing. When I came on board I made a slight adaption to that decision, keeping the principles of the decision, and that was I managed to develop a policy which meant that the caravan parks would be sold to community housing organisations who, in turn, would provide equivalent value of social housing in an area that we deemed was appropriate and where there was a need. It also meant that the caravan park tenants now had security of tenure. They had no need to fear whatsoever. The only fear that they have is fear that has been generated by the member for Bundamba trying to generate this ridiculous hysteria around their future.

**Mrs MILLER:** Nice try.

**Mr MANDER:** We have guaranteed their future. There are a small number of people—and let me emphasise this again: a small number of people—in Monte Carlo who haven't accepted that decision. They provided some sort of submission, I believe, before I made my decision and so as far as I was concerned that made their submission null and void and it was no longer relevant because they were concerned, understandably, about their future. This is a good decision. This is a win-win: a win for the tenants in these three caravan parks, it is a win for social housing tenants and the 22,000-odd households on the waiting list, because we are going to be able to provide more social housing for them.

**Mrs MILLER:** I have a follow-up question in relation to this, please, Mr Chair, again referring to page 2 of the SDS and page 15, housing pathways into the private sector. Minister, basically in your answers that you have been giving me today there is no certainty for any social housing tenants at all.

I am just wanting you to respond to that. If the social housing at the moment is outsourced, which you seem to be intent on doing, will tenants now be charged for maintenance on top of their rent?

**Mr MANDER:** What was the first part of your question? What was the implication there?

**Mrs MILLER:** What I am saying is that with this document here, page 15, subsection 3, there is now no certainty for any social housing tenants at all.

**Mr MANDER:** With regards to what?

**Mrs MILLER:** With regards to their tenancies. No certainty there at all, is there?

**Mr MANDER:** Anybody who is currently in a social housing dwelling goes under all the normal assessment processes to ensure their ongoing eligibility. That hasn't changed. That won't change in the future.

**Mrs MILLER:** It certainly wasn't like that with us. The second part of the question is if outsourced will the tenants then be charged for maintenance on top of their rent?

**Mr MANDER:** When the management of their tenancy is transferred to the community housing organisation state government policy will still apply. Nobody will pay more than 25 per cent of their income. That policy will not change.

**Mrs MILLER:** I am talking about maintenance.

**Mr MANDER:** I will state it again: nobody will pay more than 25 per cent of their income towards a social housing dwelling.

**Mrs MILLER:** That will include maintenance costs, I presume is what you are saying.

**Mr MANDER:** The policy will not change.

**Mrs MILLER:** I have another follow-up question in relation to SDS page 2 and page 15 of this document, housing pathways into the private sector. Minister, this is supposed to be an implementation plan, but it fails on a number of aspects. Is every tenant in social housing in Queensland going to get a letter from you or are they going to be visited by someone from the department? How are you going to implement your policy on the ground with every social housing tenant in this state? I note you have got a number of time frames on here—July 2013, July 2014. I just want to know—you can have all these implementation plans as much as you like, as poor as what this one is—how are you going to implement it with, say, a person living in Duncan Street, Collingwood Park, people living in the streets of Goodna and Gailes, people living in Riverview, for example, people living in Inala? Are they going to get a knock on the door by a housing department officer saying, 'Show us how much money you earn. We need to find out whether you should be staying here. So out you go to the private sector.' How are you going to do it? It is not in here.

**Mr MANDER:** I am not sure I understand what you are referring to. Are you referring to the transferring of the management of social housing to the community housing sector?

**Mrs MILLER:** I am referring to your document Housing 2020 which states that you are going to be encouraging a quarter of a million people into the private sector. I want to know from you—I would have expected you to be a bit better than Dr Flegg, to be honest, but obviously you are not—whether or not housing department officers from these centres are going to be going door-to-door knocking on people's doors and saying to them, 'Show us how much you earn. We need to know whether you are eligible,' or will they be shoved out to the private sector? It is not in here. I've read it. It ain't in here.

**Mr MANDER:** This question was answered previously, Mr Chairman.

**Mrs MILLER:** No, it was not.

**Mr MANDER:** Let me say it again: the 250,000 people, in the main, relate to those people who are not currently in the social housing sector.

**Mrs MILLER:** That is not what you said to the *Courier-Mail*, with respect.

**Mr MANDER:** I am telling you what it is.

**Mrs MILLER:** No, it isn't.

**CHAIR:** Order! The Minister has the floor.

**Mr MANDER:** The majority of those people will be people not in the social housing sector. What I did say, and I will say it again, probably for the third time, is that we believe that there are some people currently in the social housing sector who could easily thrive in the private rental market.

We will introduce a number of policies and products, if you like—for want of a better word—that will incentivise—

**Mrs MILLER:** Privatised.

**Mr MANDER:**—and give people an opportunity to go into the private rental market.

**Mrs MILLER:** So they will get a knock on the door.

**Mr MANDER:** As I mentioned, we will be using a carrot approach rather than a stick approach. Social housing tenants have no need to fear anything.

Mr Chairman, I might have made an error that I need to get clarification on.

**Mrs MILLER:** The whole policy is an error, Minister.

**Mr MANDER:** Excuse me for a minute, Mr Chairman.

**CHAIR:** That is okay.

**Mr MANDER:** I made a mistake, I am sorry, when I spoke about the TMS system. I said that the savings forecast was \$5.2 million. I left off the '20' in front of that. It should have been \$25.2 million. I apologise for that.

**Mr WOODFORTH:** Minister, I refer to page 38 with regard to the provision of the tenant advisory services in Queensland. Can you advise how you are ensuring services are delivered in an economically efficient way?

**Mr MANDER:** Yes, and thank you for that question. It is important that we do provide good advisory services for tenants. We need to also make sure that we do it in the most cost-effective way and not duplicate any services. What I have been trying to do there is provide a more strategic approach to this. We have a number of services that we provide to help people stay in their tenancies. I have already mentioned today the Home Assist Secure program. I have mentioned also RentConnect. Currently we are reviewing the RTA and the services it provides.

The RTA services an enormous number of clients. Last year there were over 350,000 client inquiries, with over 400,000 expected this year. Seventy-six per cent of those disputes were resolved where people participated in a conciliation process. RTA staff are trained and qualified in law and conciliation, unlike the staff in some of the other organisations in this space. We made the very hard decision, but I believe the right decision, to stop the funding to TAAS because we believe there was a duplication of services and our desire was to have as much money as possible available to put into our housing and homelessness strategies so that we can have more roofs over people's heads. It is very important to note that, amongst the services that TAAS provided, only 10 per cent were related to advocacy. The majority of services are already offered by the RTA and other organisations. Seventy-five per cent of TAAS services were over the telephone. We believe that we have made a good decision in this area. We have streamlined the processes and we have more money available now for our housing and homelessness strategies.

**Mr GRANT:** Minister, before you were speaking on different aspects of Indigenous housing. I ask: what are the government plans for the future delivery of Indigenous housing, possibly a longer-term plan of delivery?

**Mr MANDER:** We have a number of objectives with regards to Indigenous housing. Of course, we want to continue to deliver houses under the NPARIH scheme, the National Partnership Agreement on Remote Indigenous Housing. We have 840 homes still to deliver over the next five years. That is a fair chunk of homes. We have had a slow start because of the previous government mucking around in this space, but now we have got ourselves revved up for that and we plan to be delivering those, as I said, in consultation with the councils and in consultation with the communities, as well. That is an exciting part of our housing strategy.

We are also committed to homeownership for people in Indigenous communities. We believe that this is the next natural step. At the moment I have been negotiating with councils looking at land tenure issues, which sometimes put up blockages to home ownership. We have been looking at the price of homes and negotiating with the different councils about that and some of the other peripheral issues that are associated with that. A number of communities are very keen to go down this track. This is another exciting development in this area. I think we have had—and the director-general will correct me—20 or 40 people who have expressed interest. I will clarify that. It is up to 40 individuals who have expressed interest in owning their own homes in Indigenous communities. We are looking forward to helping people fulfil their dream in that area.

**Mr SHORTEN:** Minister, can you update the committee on the progress of the Retirement Villages Act 1999 review which is, I believe, under review to ensure there is a balanced industry for both residents and operators?

**Mr MANDER:** I can. As this committee would know, you were integrally involved in that review as well. I thank you for the 37 recommendations that were made. We have been progressing through those recommendations. Some of them are very straightforward and have been accepted by both stakeholders. Some of them are a little more complex. It is important that we do protect consumers or residents in the retirement villages across Queensland. This is a very crucial stage of people's lives as they come into their mature years. It is important, as well, that we recognise that many of those people are very vulnerable.

We have been working through those recommendations. I have put a little committee together which is made up of representatives of the villagers, the residents, and also representatives of the retirement villages. We must strike the right balance here. It is no good for retirement village residents if their village goes out of business. It is important that we keep the viability of the villages in mind as well. This little ministerial working party has been operating. They have had two or three meetings; at least three meetings. My understanding is that they are coming very close to having agreement on all but one or two recommendations and are working on a way forward. I am looking forward to seeing their final recommendations and outcomes, if you like. That will happen sooner rather than later. I am looking forward to bringing some legislative changes that will bring about those results and get that right balance.

**Mr GRIMWADE:** I want to congratulate you, Minister, and the department for the hard work you have done on the Housing 2020 strategy released today. Can you outline to the committee what this will mean for the staff at the Caboolture Housing Service Centre?

**Mr MANDER:** Thank you for that question. One of the things that I have endeavoured to do since I have been minister is to visit as many departmental staff as possible. I have been to many housing service centres. I think I have been to at least a dozen of them. That is very important to me. It is amazing that they have said that they have never seen a minister before, ever. They were shocked when I sought to go and meet with them. Those people are very passionate about what they do and they are very compassionate as well. I highly value those staff and have told them that very clearly.

However, as I mentioned earlier, what we will be doing is having a region-by-region strategy where we will be looking at the needs of the Caboolture area and looking at what community housing providers might be there. My message to the Caboolture Housing Service Centre is the same message I have been delivering in person to the 12 or so other housing service centres that I have visited, which is that they will be consulted very closely about their future. They know the direction that the government is going in. Most of them are quite comfortable with it. They work in this sector all the time. They are very confident in the abilities that they have. They know that they are an asset to any future organisation to be working in this field and that is the approach that they have been taking. I think they have, again, no reason to fear. If they are passionate and are doing as good a job as I think they are doing, they will be snapped up by these community housing organisations.

**Mrs MILLER:** Just a minute: 'they will be snapped up'. You are going to get rid of them.

**CHAIR:** Order! I call the member for Rockhampton.

**Mr BYRNE:** Minister, I refer to the SDS at page 43, asbestos removal. How much money did your department spend on asbestos removal this year compared to last year?

**Mr MANDER:** I will just get those details. I might defer that to the director-general.

**Mr BYRNE:** Again I am happy to take that on notice or wait a few minutes.

**Mr MANDER:** I think we might have it at hand.

**Mr Castles:** With respect to the asbestos management programs, this is a proactive approach. There was \$989,000 spent in the 2012 financial year. That related to 31 projects to 26 schools state-wide.

**Mr BYRNE:** How much asbestos is estimated to remain in government buildings in Queensland and is there a time line for complete removal?

**Mr MANDER:** The director-general is probably in a better position to answer that.

**Mr Castles:** There is estimated to be 10,000 square metres of asbestos throughout government buildings. It is impractical and impossible to actually, I suppose, have the money to

expend on that removal. It would be horrendous. The asbestos is completely safe in buildings as long as the surfaces are painted and everything. We have extensive asbestos registers of where it is located exactly in government office buildings and so forth.

**Mr BYRNE:** In the Capital Statement at page 76, the 2011-12 capital budget for Public Works was approximately \$148 million. Last year, the capital budget for Public Works was \$128 million. This year it is \$41 million, which represents a decline, at least by my calculation, of about \$100 million since the LNP came to office. Is the government adequately keeping pace with the maintenance and growth needs in Public Works in light of this significant reduction of funding?

**Mr MANDER:** Yes.

**Mr BYRNE:** What state management platform does the department use to predict capital requirements?

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

**Mr Castles:** Obviously, the government and we have limited amounts of capital to spend. The deficit is very large. There is a reduction in our expenditure. We have to bear in mind that, more and more today, individual government departments are responsible for their own capital program, rather than the Department of Housing and Public Works being responsible for that capital program.

**Mr BYRNE:** There are a variety of opinions about that, but that would be inappropriate here. Your capital platform basically for the assets that you own will give you a number if you have any sort of asset maintenance system that is operating. It will give you a number at the end of that that predicts what your capital number should be and your recurrent maintenance numbers and every other number that comes out of it. How does that fit? Does that system provide you a number for 2013-14 or not?

**Mr Castles:** Is this around capital or around the maintenance program?

**Mr BYRNE:** There is a rollover between those two things, anyway, depending on the scale of it. There would be a raw number coming out of your management system; is that not correct?

**Mr Castles:** Most of the maintenance registers for capital works are located in the government agencies rather than in Housing and Public Works. The requests to us are around where maintenance is required. We work with each government agency to undertake those maintenance programs.

**Mr BYRNE:** Thank you, Director-General. I think we are just about out of time. I want you to summarise what is the core of the drop in the capital spend? What is the simple explanation?

**Mr Castles:** Certainly the government has come off a very large capital expenditure program over a number of years. Much of that capital program is being finalised. Last year we finished the 10 cyclone shelters. Also, a lot of the large capital programs that we are undertaking are actually being finalised. With respect to the government, instead of looking at alternatives in the way it may undertake capital programs, in the past it was own and on balance sheet; now it more looks at things like public-private partnerships and also outsourcing ownership to the private sector.

**CHAIR:** Thank you. Minister, did you have something to say?

**Mr MANDER:** I have a correction for the sake of accuracy. I said that we had an additional 840 homes to deliver under the NPARIH scheme; it is only 820. I said up to 40 people had expressed interest in home ownership in Indigenous communities; it is actually 49. I have one other comment. I might get the director-general to read that because I do not have the context.

**Mr Castles:** With respect to the Housing 2020 strategy and the implementation plan, the implementation plan is around the strategy. We have to operationalise that strategy and put the dollars against it. We clearly are committed to delivering on that strategy within the department's budget without additional money. We also have to bear in mind that we are working certainly around the delivery of a large proportion of it, particularly around the houses. A lot of that is NRAS housing; it is housing that will be provided under the National Rental Affordability Scheme, where we provide funding.

**Mrs MILLER:** Mr Chair—

**CHAIR:** No, that is enough. The show is over. The time allocated for the consideration of the estimates for the Minister for Housing and Public Works has now expired. On behalf of the committee, Minister, I thank you and your advisers for your attendance. I remind all visitors that the draft *Hansard* transcript will be published on the parliamentary website usually within two hours of the completion of

the portfolio hearing. I remind you that your answers to questions taken on notice at today's hearings are to be provided to the committee secretariat by 5 pm on Friday, 26 July.

The committee will now take a short break for 30 minutes before resuming at 4 pm to examine the estimates of the area of responsibility administered by the Minister for Local Government, Community Recovery and Resilience. Thank you.

**Mr MANDER:** Thank you, Mr Chairman.

**Proceedings suspended from 3.32 pm to 3.58 pm**

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

### In Attendance

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

Mr R Ferrett, Chief of Staff

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

Mr C Evans, Director-General

#### Queensland Reconstruction Authority

Mr G Newton, Chief Executive Officer

 **CHAIR:** Good afternoon. The estimates hearing of the Transport, Housing and Local Government Committee is now resumed. On behalf of the committee, I welcome to the hearing the Minister for Local Government, Community Recovery and Resilience, officers of the department and members of the public. I am Howard Hobbs, the member for Warrego and chair of the committee. Mrs Desley Scott, the member for Woodridge, is deputy chair. Other committee members are: Mr John Grant, the member for Springwood; Mr Darren Grimwade, the member for Morayfield; Mr Carl Judge, the member for Yeerongpilly; Mr Anthony Shorten, the member for Algester; and Mr Jason Woodforth, the member for Nudgee. The committee has also given leave for non-committee members to participate in the hearing today. I welcome Mr Tim Mulherin MP, the member for Mackay.

The committee will now examine the Appropriation Bill 2013 and the estimates for the Minister for Local Government, Community Recovery and Resilience until 6.30 pm when we will conclude today's hearing. The proceedings today are lawful proceedings and are subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to this hearing may also be excluded, in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved to allow television film footage and photography at all times during the hearing, in accordance with the media broadcasting guidelines. The hearing will also be broadcast live via the Parliamentary Service's website.

It is important that questions and answers remain relevant and succinct. Where necessary I will remind ministers, directors-general, CEOs and advisers that their answers to a question should be finalised so that other issues can be examined. Before we begin, I ask that all mobile phones be now switched off or put to silent mode. For the benefit of Hansard, I ask advisers, if you are called to give an answer, to please state your name and position before speaking.

I declare the proposed expenditure for the portfolio of the Minister for Local Government, Community Recovery and Resilience open for the examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

**Mr CRISAFULLI:** I would, Mr Chairman. Thank you very much. I have with me the Director-General of the Department of Local Government, Community Recovery and Resilience, Craig Evans AM; Chief Executive Officer of the Queensland Reconstruction Authority, Graeme Newton; and my chief of staff, Richard Ferrett.

This year for local government, and indeed for us as a state as we rebuild from the disasters, really has to be the year of delivery. I will address my brief introduction in two parts. I will start with the recovery component. You will find in the SDS a sum of \$4.2 billion for this year's recovery. That is not insignificant. In fact, that is the most that would ever have been spent on a recovery in the state. In that component is about \$80 million for betterment, something that I am particularly proud of. Whilst I acknowledge that it falls well short of what I would have liked to have seen, it is a start in reversing what has been like-for-like replacement. It is a change of culture and, in my mind, is the way we should be doing business in the future.

In terms of recovery, we have worked hard on the ground to make sure that we are making good early progress after the summer of disasters. I often use a number of different figures to portray the contrast in this year's recovery. I think the one that is most pertinent and indeed the one that I am most proud of is in Bundaberg, which was hit very hard in 2011 but certainly in 2013 has copped more than its share of pain. In 2011 it took council 18 months to get \$25 million worth of work to market. In 2013, \$40 million went to market in four months and an additional \$30 million went to market in the following month.

We have unashamedly decided to work hand in hand with councils. We have been on the ground as never before. The early signs are positive. Obviously some of your best praise can come from your critics at times. I certainly acknowledge the comment made by the opposition leader during the estimates hearing of the State Development, Infrastructure and Industry Committee in which she said—

Government is about working cooperatively with councils. We have seen how it has worked cooperatively during the floods, and we were talking about the floods earlier on. The state government works hand in hand with the council.

The CEO of the Local Government Association of Queensland, Greg Hallam, in speaking to local government on the results of the audit, said in June this year—

The new government has taken it to another level with the model that we rolled out for this year's events.

I am particularly proud of the fact that it has been acknowledged that we have made a good start. I think it would be wrong, though, not to acknowledge that there is individual suffering in all of these areas. I have made it my business to go back to these communities time and time again. We owe it to those communities to not just rebuild but try to look for every way to possibly mitigate and recover like never before.

I should also acknowledge that we are having discussions with insurance companies about rewarding people on the ground who make changes to their property. I think they should be rewarded for that via lower premiums. Through the Reconstruction Authority we will make every bit of information available so that they can factor in the work of individuals.

I should also acknowledge the federal government. There have been some positives and negatives dealing with them. I have to acknowledge Senator Ludwig, whom we worked with to get the betterment fund up and running. I said at the start that it fell short of what we wanted, but the relationship there certainly helped us open doors to get that underway. I am a little bit concerned at the moment with the fact that there is not a dedicated flood recovery minister in cabinet and we will continue to push all of our cases.

I will conclude by talking about local government. This is also the year of delivery for local government. We have seen in the past two financial years that there has been a real issue with local councils being able to deliver on the ground. That has been due to a combination of factors. Certainly the fact that you have over 50 councils declared as disaster areas has not been easy. Also, the way we have administered grants has not been right. I mention the fact that in the 2011-12 year it was not until deep into the financial year that those grants were approved. Last year, with a delayed budget, it again took some time to get that out to local government. This year will be different. It certainly is the year of delivery for them.

There are indeed challenges for local government. There are challenges for the state. But I have every confidence that this time next year we will be looking at a story of 12 months of delivery for this state. That is as much about getting work on the ground as it is about restoring faith in the art of governing and looking communities in the eye and doing what you say you are going to do.

**CHAIR:** I call the member for Mackay to open the bowling.

**Mr MULHERIN:** I refer to your responsibility to support the financial sustainability of local government. The Queensland Treasury Corporation half-yearly report for December 2012 details that total debt outstanding for the Brisbane City Council is \$2.04 billion, or 33 per cent of all local government debt in Queensland. The Brisbane City Council has less than 25 per cent of the state's population in comparison. Minister, are you concerned about the level of debt at the Brisbane City Council initiated by the now Premier and the now Treasurer of Queensland?

**Mr CRISAFULLI:** Can I start by thanking the member for the question. Mr Chairman, you said that he was opening the bowling. Well, he has bowled another half-volley. This was the theme of last year's estimates as well. Am I concerned? The answer is no. Brisbane has had a review in the last 12 months and indeed the council is rated strong. This has given me an opportunity to go through some figures.

**Mr MULHERIN:** Neutral outlook.

**Mr CRISAFULLI:** Boy oh boy, I wish the finances we inherited were similar to that, I can promise you, member for Mackay. If you go through and have a look, by any objective standard—and the one I like to use is debt per capita because that gives you an indication of capacity to pay—Brisbane's debt per capita is in the order of about \$2,000 per person. I only wish the situation for the state was anywhere like that. At the time of the election that debt figure was about \$15,000 per person and heading in one direction.

I say to the honourable member for Mackay, this was the theme of last year. Time and time again you roll out this figure and ask what it means. Council is rated financially strong. It could not be any clearer. I look forward to answering questions about this all afternoon, but the fact remains that the financial position of the Brisbane City Council is far superior to that left by the former state government, of which the honourable member for Mackay was a very senior member.

**Mr MULHERIN:** I seek leave to table the latest credit review.

**CHAIR:** Leave is granted for the tabling.

**Mr MULHERIN:** Minister, I have just tabled the latest credit review of the Brisbane City Council by the Queensland Treasury Corporation. In this review it reveals that debt is projected to increase from \$389.188 million in the financial year 2009 to \$2.415 billion this financial year—an increase of 521 per cent. In comparison, the projection for state government debt under the previous government was an increase of 84 per cent over the same period. Minister, why were you so concerned about a projected 84 per cent increase in state debt—what the Premier has called 'a power dive into the abyss'—and not the 521 per cent increase in council debt over the same period? Is it because the council debt was initiated by the now Premier and the now Treasurer of Queensland?

**Mr CRISAFULLI:** Thank you to the honourable member for the question. Let me start by saying, the one topic that I really enjoy being lectured on by the member of Mackay is debt and financial management.

**Mr MULHERIN:** Are you not responsible for—

**Mr CRISAFULLI:** I enjoy the opportunity. If you would like me to finish my answer I would be more than happy to give it. The honourable member talks about percentage increases and all sorts of things. The reality remains that the financial situation of the state government was an absolute basket case when we came to office. You only have to look at the prospects and the credit ratings to realise that.

The other thing the honourable member fails to mention is that there are always two components to any financial statement. Obviously one is debt—that is huge. But the other is the operating figure—whether or not you are in surplus or deficit—and the long-term projection. The state of Queensland's books were in such a disastrous situation that that credit rating took a hiding. The prospect into the future is a very tough assignment.

What does that mean for local government? I can tell you what it means for local government. It means that each and every council has to stump up more for the repayment of their debt through absolutely no fault of their own. It is not the fault of local government that the state is drowning in debt; it is fault of the state government. As result of that—

**Mr MULHERIN:** We are talking about the Brisbane City Council, not the state.

**Mr CRISAFULLI:**—we have seen the credit rating drop. I guess the final thing that it would be wrong of me not to discuss is when the member talks about the increasing debt for Brisbane City Council. If I were a ratepayer in Brisbane, I guess one of the saving graces that I would look to is the type of infrastructure that is being built. I guess that is in contrast to a government that built things like a desalination plant that did not quite desalinate, dams that did not have pipelines, pipelines that did not have dams and that was drowning in operating deficits. Let us get this right. If you are—

**Mr MULHERIN:** But the water grid helped out in the floods this year. You cannot deny that.

**Mr CRISAFULLI:** If you are drowning in operating deficit inevitably that only goes to one place.

**Mr MULHERIN:** Minister McArdle reluctantly acknowledges the benefits of the water grid.

**CHAIR:** Let the minister finish.

**Mr CRISAFULLI:** I will keep answering questions all day.

**Mr MULHERIN:** And I will keep throwing up the infrastructure that was built.

**Mr CRISAFULLI:** The last one was a half-volley; that was a full toss. He goes through cover. I guess the other problem is when your government has things like trying to fix a payroll system that does not pay people that also impacts. When you objectively look at debt you have to see whether or not debt has been accumulated to the benefit of your community. We could look at every single angle of comparing debt for the Brisbane City Council—

**Mr MULHERIN:** So the Gold Coast light rail and the hospital projects in Townsville, Cairns, Mackay, Brisbane are not worth—

**CHAIR:** Member for Mackay, this is now your next question.

**Mr CRISAFULLI:** If you look at every single angle, there is not an angle that the member for Mackay could put up that somehow suggests the government that he was part of ran a better economic ship than the Brisbane City Council. If there was, I would respectfully say that the member would put it forward.

**Mr MULHERIN:** So there has been a 521 per cent increase in debt versus an 84 per cent increase in state debt over the same period. Minister, the latest Queensland Treasury Corporation's credit assessment of Brisbane City Council indicates that the interest-serving costs are the fastest growing expense of council, just as the Treasurer likes to point out is the case for the state government. As the minister responsible for this council's financial sustainability, are you able to confirm that interest costs are the council's fastest growing expense from financial year 2012 to financial year 2014?

**Mr CRISAFULLI:** Can I confirm one of the great imposts and one of the great causes of fast-growing interest is the level of repayments that you have to make on that debt. When your credit rating slides, that has a huge impact on the amount you have to pay back, and it is a particularly bad blow when you are not responsible for the downgrading of that credit rating. So that is the first component.

**Mr MULHERIN:** We are talking about the Brisbane City Council.

**Mr CRISAFULLI:** That is right, and unfortunately for them they did not control the way you spent. That is the problem for the Brisbane City Council.

**Mr MULHERIN:** I am talking about Brisbane City Council debt.

**Mr CRISAFULLI:** That is what I am saying.

**Mr MULHERIN:** Debt initiated by the Premier and the Treasurer.

**CHAIR:** Order! The minister has the floor.

**Mr CRISAFULLI:** Thank you, Mr Chairman. You would be aware that that debt has to be serviced and the rate at which it is serviced is determined on the credit rating of the state government because they get their money from the Queensland Treasury Corporation. Unfortunately for the Brisbane City Council, a large component of that interest repayment is paid at a higher rate because of a falling credit rating.

**Mr MULHERIN:** Minister, is it the fastest growing expense for the council? Will you confirm that?

**Mr CRISAFULLI:** I think I have made my answer pretty clear.

**Mr MULHERIN:** Well, you have not answered the question.

**Mr CRISAFULLI:** I think I have made it pretty clear.

**CHAIR:** Minister, we will move on. We are talking about debt and comparing the debt levels of all councils to that left by the Bligh government. Minister, overall what are councils doing generally to lower the debt state-wide?

**Mr CRISAFULLI:** Thank you, Mr Chairman. Indeed, it is an issue that local government has to face up to. There is no question. It would be easy for councils to say, 'Our debt is in the order of \$6.5 billion and that is less than a tenth of what the state debt was at the time of the election.' Obviously we would all recall the projections that debt was going to reach \$100 billion if we had gone on the same merry way as those before. It would be easy for local government to say, 'We cover the same area. We have the same number of people, so it is not an issue.' To the great credit of local government they have not said that, and they do acknowledge that there is certainly an issue. Local government also has to invest in some infrastructure. There will be some significant infrastructure investments, particularly with the 12 largest councils, in the years ahead, and you have to acknowledge that.

We conducted 10 credit reviews in 2012-13. One particularly interests the member for Mackay but there were others, and all supported the level of debt held by each council. So I guess that is the first thing. But there is a challenge into the future for these councils, and that challenge is how to fund the infrastructure to meet growing communities. That is something we have to support them with. We will support local governments big and small to make sure that they take every opportunity to find ways to generate revenue. Whether they are a big or small council, they need to look at every way to sharpen their pencil and deliver things, and we need to look at every way to get out of their way so they can deliver services for the community in the most efficient way possible.

**CHAIR:** I have a follow-up question. The SDS talks about highlighting financial sustainability issues for local government to key government decision makers. What general initiatives have you been able to secure for local government to improve sustainability, because we have to have a package there that allows local government to be sustainable in the long term?

**Mr CRISAFULLI:** Thank you, Mr Chairman, and I think it is a good follow-up question. First and foremost, we have to make sure that we set an environment for local government that it can work in, but we still need to give them the freedom to respond to their individual situations. To me the greatest examples and proof of that are some of the changes that have been made to the act in the last 12 months. I may take this opportunity to mention some of them. The one that always sticks in my mind was the requirement that every local government had to do a community plan. You more than anyone, Mr Chairman, understand rural and regional Queensland and you more than anyone understand that local government has a fair understanding of what their community wants. I could never understand why a local government with a few hundred people had to engage a consultant and spend many thousands of dollars to determine what their community wanted for them. I would have thought you would get that on a Saturday morning when you walk to the shops or when you are mustering cattle with those people or when you are at the rodeo. That was the absurdity of this one-size-fits-all approach. It was something that truly frustrated me and likewise with the financial planning requirements. Councils had to go through all of the usual things as part of their annual report, yet somehow over and above that they had to engage in a financial planning reporting process.

We had the ridiculous situation that a council would spend many, many hours and, indeed, go to much expense to create a local law in which somehow it was up to the minister to determine whether or not a local law was good for the community. Maybe I have a different philosophical view to others, but I think a local law is a local law and one where the community should control its own destiny. There were other things. Mr Chairman, you would recall the nonsense of forcing councils to live-stream their meetings at huge expense, and for some councils that still operate with three chambers that expense would have run into the hundreds of thousands, plus the ongoing expense. That was just bizarre. So they are some of the things we have done.

Looking into the future, I use the term 'capacity building' and I think that has to be our role. The Department of Local Government, Community Recovery and Resilience is small in numbers, but our role is to make sure that we can at all times have our local governments firing on all cylinders. Whether that be through helping with financial and asset management systems, whether that be enterprise managers, business coaches or even helping to get access to things like temporary working capital, that is our role. We unashamedly need to get out of the way of local government and allow them to deliver wherever possible. We need to make sure the money they spend is money well spent—the sorts of things that their communities want to see them spend money on. We have seen local government get into more and more areas, and I think the community are demanding that. But I have never met a ratepayer who is truly focused on what happens in terms of reporting requirements between two levels of government. They want to know when they are paying their rates that they get value for money.

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

**Mr GRANT:** Minister, my first question relates to the recovery program. I refer to page 8, dot point 1 of the SDS. How will the regional round table program help councils manage their interests and be financially sustainable?

**Mr CRISAFULLI:** I thank the honourable member and indeed acknowledge his service to local government over many years. The regional round table is a commitment of the government that we truly want to deliver and deliver in this six-month period. We asked local councils across the state to put forward a bid as to what they wanted to discuss. So the idea of the regional round table is to say, 'Tell us the issue that is concerning you and let us help you break through the issues which are

stopping you delivering it.' We received 90 different topics that were put forward from local councils and they came from about 25 different councils. There were some excellent ideas, and I can safely say that this round table that is going to be held shortly is not going to be the only one that we have.

In the end the best suggestion came from the North Queensland region of councils and that was around financial sustainability. So the first round table will be held in Townsville next month. With the imprimatur of the Premier, we have written to the local councils and invited them to attend. There will be senior representatives from the Local Government Association of Queensland, the Department of the Premier and Cabinet, Queensland Treasury and officers from the Department of Local Government, Community Recovery and Resilience and the Reconstruction Authority. Most exciting though is that the Auditor-General will be there. I see this as a huge opportunity for local government on a myriad of fronts.

Financial sustainability is first and foremost in people's minds at the moment. That is what every level of government is grappling with and certainly what councils are grappling with, but there are a number of things that have not been dealt with over a long time, and I put into that things like depreciation schedules as something that we have to face up to. The fact that the Auditor-General has agreed to attend I think has been warmly received in the local government family. I have a feeling we will have representation from the vast majority of councils such is the willingness to make this work.

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

**Mr GRANT:** Minister, I have a follow-up question from that same page, page 8 dot point 1. What work has been done to help Indigenous councils manage interests and be financially viable?

**Mr CRISAFULLI:** Thank you very much for the question. As someone who is based in North Queensland, it is something I am particularly passionate about. In order to answer your question about what we are going to do I think we have to spend 30 seconds looking at what we have done. I do not deny for one moment that everything we have attempted to do for Indigenous communities and Indigenous councils over a long period of time has been done with the best of intentions. There has not been a single government that has ever not tried to do the right thing. But it is not working. We just cannot continue to do the same thing time and time again and expect a different result.

I understand how tough it is. You are dealing with very disadvantaged communities. It is often easy to think that the easiest and the best solution is to throw money at the problem time and time again, but that has never been the issue. The issue has never been how much we spend per head of population in Indigenous communities. If that were the issue, it would have been solved a long, long time ago.

I have a program which is called SGFA, State Government Financial Aid. It is in the order of about \$32 million this year. Traditionally that has been divvied up amongst the 16 local government councils and it has helped those communities deliver services. What we have done this year is we are looking to empower those councils to start looking for opportunities for themselves as well. So the fund is \$32 million: \$29 million will be delivered on the same basis as that split between councils, but for the first time there will be a contestability element, and that will be \$3 million. It will be broken into two parts. The first is \$1.5 million, which will be a service delivery fund. What we are saying through this to councils is, 'If you are prepared to show us that you are turning the corner towards self-revenue, you will be rewarded.' I understand that is a challenging statement, and I respect both sides of that argument. But I have a philosophical view that if we say to the communities, 'We will reward you for making the tough decisions,' I think that can change a culture of dependency and create a culture of self-empowerment. So what do I mean by that? If a council is prepared to go into a community and collect things like water charges—which some councils do at the moment—if they are prepared to look at those opportunities, they should not be penalised for that. It should be the other way around. They should actually be rewarded.

The second element of the fund is what is going to be called a business incentives scheme. I have written to the 16 mayors and I have said to them, 'Put forward your suggestion of ways that you can create economic opportunities in your community.' I do not expect that that is going to generate bucketloads of money overnight; I get that. But there are some councils starting to do that. These Indigenous communities have one of two things. They either have an abundance of land—and we all know with land you can do a lot of things, whether that be agriculture in one form or another. The other thing many of them have is absolutely stunning coastlines, and there is a real opportunity for tourism with their local knowledge of all things like fishing. So we are saying to those communities,

‘Come forward with your suggestions to try to create genuine economic opportunities and we will reward rather than penalise you.’

Just briefly in conclusion, I should also say that it is not all about one-way traffic. Currently, every year councils have to put in quarterly audit repayments for something that is not tied to a grant system. So this grant is not tied to anything particularly; it is money that is given to those councils to run everyday things. We think that if the councils have unqualified audits for the previous financial year they should receive them as half-yearly payments rather than have to go cap in hand, with all the costs that come with that. So we have done that, and 13 councils will now receive half-yearly payments without all of that headache.

I thank the member for the question. The message I delivered to mayors when I went and spoke with them at the LGAQ’s Indigenous Leaders Forum was, quite simply: if you believe in this message, go to your communities and sell the message; if you do not believe in the message, go to your communities and blame me. Either way, it has to be done. Either way, we have to lift the veil on the dependency and start creating a culture where Indigenous people truly feel valued.

**Mr MULHERIN:** For the information of the committee, the minister referred to the ratings agencies and how they assess debt. One of the metrics they use is the financial liabilities to revenue ratio. For the record, Brisbane City Council’s liability is 158.4 per cent. The previous local government peaked at 123 per cent.

Minister, the 2011 QTC credit assessment of Brisbane City Council detailed that a profit was not expected to be generated on Legacy Way until financial year 2025; however, the 2012 credit assessment does not detail when a profit is expected—only that toll revenue is expected to be delayed a year, until financial year 2016. Minister, are you able to advise when a profit is expected for Legacy Way?

**Mr CRISAFULLI:** I thank the honourable member for the question. It is the same medium pacer bowling the same line on the same pitch—and I will give the same response.

**Mr MULHERIN:** You cannot answer the question.

**Mr CRISAFULLI:** First of all, I relish every opportunity to talk about the financial position you left this state in.

**Mr MULHERIN:** This is the financial legacy of Newman and Nicholls at City Hall.

**Mr CRISAFULLI:** You can create every set of numbers that you can put forward. The facts remain quite clearly that the position of this state was quite incredible in terms of the level of debt that was left. In fact, the debt level was expected to peak higher than the debt the Commonwealth government had a few years ago, when the changeover happened at the end of the Keating regime. It was a huge debt—a debt that you could not jump over. I will continue to preface every response—

**Mr MULHERIN:** Minister, when is Legacy Way expected to give a profit?

**Mr CRISAFULLI:** I will continue to preface every response by painting a picture of how diabolical is the situation in this state.

**Mr MULHERIN:** We are talking about Brisbane City Council, Minister. You are the minister responsible for financial sustainability.

**Mr CRISAFULLI:** When we talk about the need to make tough decisions, no Queenslander should be under any illusion about where it should come back to. I sincerely hope that as part of the different things that are occurring in the state, including things like the racing inquiry, people can see how their money was spent and what sorts of accountability measures were there. I look forward to that. There is some joy in it for all of us.

In answer to the other question, when you talk about individual projects, the local government has to look after those individual projects the way it sees fit. I have heard the news reports in recent days—I believe that a decision is close—about the Brisbane City Council looking at different options for that tunnel. If people know anything about my style it is that local decision makers should make local decisions. If people do not like the decisions of those councils, there is a way they can make their feelings known. It is called an election.

You could sit here and ask me questions about each and every council—about how much they are spending on this, that and the other. My philosophical view is that that is a matter for the council. Provided they stay within their credit rating, provided they stay in a financially secure position, our philosophical view is that that is best decided by council.

**Mr MULHERIN:** Minister, the question was: when do you expect Legacy Way to generate a profit? The QTC in 2011 said that a profit was not expected until 2025. Then when they carried out the credit assessment in 2012 the only mention was that there would be a delay in toll collection until 2016. As the responsible minister for the financial sustainability of councils, can you tell this committee when Legacy Way will generate a profit?

**Mr CRISAFULLI:** It is exactly the same question and, unless the member wants me to say exactly the same thing—

**Mr MULHERIN:** Well, you didn't answer the question.

**Mr CRISAFULLI:**—in exactly the same fashion, I suggest he uses his time wisely.

**Mr MULHERIN:** Do you want to take it on notice and give the committee an answer? You cannot answer the question.

**Mr CRISAFULLI:** You have my answer. I will not be taking it on notice.

**Mr MULHERIN:** The document has been tabled. You cannot tell us when it will generate a profit. Thanks, Minister.

**Mr CRISAFULLI:** You have my answer.

**CHAIR:** Member for Mackay, the minister has answered the question. I think you should go on to your next question.

**Mr MULHERIN:** I note that the Treasurer had a meeting on 20 November last year about the consolidation of Brisbane toll roads. Did the QTC provide any advice to you around how the purchase by the Queensland Investment Corporation of Legacy Way and the Go Between Bridge would impact on the council's financial sustainability, and did you attend this meeting?

**Mr CRISAFULLI:** I am not sure what part of the SDS the honourable member is referring to.

**Mr MULHERIN:** I refer to page 2 of the SDS relating to support of local government financial sustainability, and page 8 relating to financial sustainability and accountability and support local government to identify and manage financial sustainability. There was a meeting that occurred between the QTC, the Treasurer and the council. Did you attend that meeting? Have you been briefed?

**Mr CRISAFULLI:** It is a pretty long bow, but I will humour the member and say no.

**Mr MULHERIN:** It does impact on the council's financial sustainability.

**Mr CRISAFULLI:** No.

**Mr MULHERIN:** No. Right. Minister, I will also table a document put out by the former Lord Mayor of Brisbane City Council for the information of the committee. I seek leave to table the document. It is about the Premier's election commitment when he was Lord Mayor that—

**CHAIR:** Is leave granted? Leave has not been granted.

**Mr MULHERIN:** You are frightened of the document.

**Mr CRISAFULLI:** We have heaps of time. You could read it.

**Mr MULHERIN:** Right—

TransApex will be funded on the basis of a public toll set at \$2.00 (inclusive of GST) ...

It would be delivered by Brisbane City Council for free and paid for by a \$2 toll. The current Brisbane City Council Lord Mayor has said that the purchase of Legacy Way and Go Between Bridge will provide a financial benefit to council of between \$1.08 billion and \$1.58 billion over the next seven years. Minister, have you or your office requested or received any modelling on this and changes to the council's financial position from this transaction? Do you have any assurance that the council will have the cash flows to deliver on their latest promise to upgrade Kingsford Smith Drive? I note that this was originally promised back in 2004 by the now Premier.

**Mr CRISAFULLI:** Thank you very much, member for Mackay. I am going to try and be as definitive as I can now, and hopefully the honourable member will get the message.

**Mr MULHERIN:** Well, we will not get an answer.

**Mr CRISAFULLI:** I am the Minister for Local Government. Maybe the member for Mackay has a different view, but I am not the mayor of 73 councils. If you saw nothing else in November last year, I would hope you saw changes to an act that removed the regulation that you were choking councils

with. The restrictions had got to the point that people in local government felt completely impotent—to the point that good people did not even want to run for council, because they had become nothing more than delivery agents for your harebrained schemes. So when local governments cannot go in and govern the way they want to, you know there is something wrong. So if you are asking me—

**Mr MULHERIN:** A harebrained scheme in the form of a \$2 toll?

**Mr CRISAFULLI:** Indeed. I am talking about things like waste levies, where councils woke up one day and were told that not only did they have to collect the levy but also they had to pay it on their business units. I am talking about being told that you are going through a process of reform called Size, Shape and Sustainability, only to be taken out to the long yards to have some nice things happen to you in 2007. I am talking about a culture where councils felt used and abused.

If you are asking me whether I am going to govern 73 local governments, the answer is no. We are there to administer a system of governance, to make sure councils operate within that system. And I am not going to meddle in every little project. If you want to continue for 2½ hours—

**Mr MULHERIN:** This is Brisbane City Council—33 per cent of local government debt. And you have responsibility for financial sustainability.

**Mr CRISAFULLI:** We have a multibillion dollar budget we can discuss here today. We can talk about all the changes to the Local Government Act that will empower councils. We can talk about those programs that deliver things on the ground. The other day I was in the great city of Mackay, where some wonderful things will be done for the council there. We can talk about all sorts of things, but if you are going to ask me whether I will go out and dig holes and put up concrete bollards, you are wasting your time.

**Mr MULHERIN:** Minister, why does it say in the SDS that you have responsibility for financial sustainability? You will not answer the question.

**CHAIR:** We are moving on. I call the member for Algeester.

**Mr SHORTEN:** I refer you to page 3, dot point 5, of the SDS where it references the deamalgamation implementation recommendations to establish new councils. Minister, how is that deamalgamation process progressing with those councils?

**Mr CRISAFULLI:** I thank the honourable member for the question. Indeed, it is a very important question. We went to the election with a clear position, and that is to offer those communities that felt they could put forward a bid the opportunity to do so. You asked about the appointment of those transfer managers. They are in place and have been for a few months. Between the four of them they have about 70 years of experience in local government. A gentleman by the name of Peter Franks is the transfer manager in Noosa. Not only has Mr Franks been a CEO of a council post amalgamation; he was also heavily involved in a council that experienced a deamalgamation. That is particularly rare; there have not been a lot over time. A gentleman called Graeme Kanofski is looking after Livingstone, Rod Ferguson is in Mareeba and Jeff Tate is in Douglas.

It will always be a big challenge. I wanted to get people in place who had experience, but I also did not want fly-by-nighters. One of the conditions I put on the employment of all four was that they had to move to the community. So they had to live and work in the community. There is a formal local advisory committee in place in all of the areas. They involve people like your chamber of commerce heads and different resident and ratepayer groups. I think that is working well. That is a good way of making sure there is a good interaction. But by living in the community rather than governing from Brisbane, for example, I am sure they get a free character assessment every day—when they go to the shops and when they fill up their car. That has led to a transition that is going much better than it could have.

They will put in place a transfer action plan. The process is for those new entities—those four new local governments—to come into effect from 1 January. So we are getting closer. There is a lot of work to be done. I have to place on record a huge thanks to not just these four gentlemen but also the four CEOs of the existing regional councils. They have all entered into it in good faith. I take my hat off to them for the way it is unfolding. There will be bumps along the way—there always will be—but I am very confident that on 1 January you will have four new councils ready to hit the ground running and the communities will have what they voted for.

**Mr WOODFORTH:** Minister, Budget Paper No. 3 at page 82 refers to capital grants. Can you outline how many submissions were received for the LGGSPIS and what projects have been approved?

**Mr CRISAFULLI:** I thank the member for Nudgee for the question. It really is an exciting project. It is something that is near and dear to my heart. I mentioned in my opening remarks that in many ways this project has been choked by the way that the finances have been rolled out. In many ways it has not been the fault of local government; there have been factors beyond their control. We have \$14.6 million in the local government infrastructure fund. It is my intention to see that money spent this financial year. You asked how many submissions we received. The answer is 135 from 56 councils. We approved 84 projects from 49 councils, so that is a huge spread across the state.

I will talk about some of the projects. I mentioned before the upgrade to the water supply in Mackay. There is a great little project in Goondiwindi. They want to take Lake Coolmunda to the next level and really make it a bit of a tourism attraction. In my home city of Townsville there is an upgrade to the creation of a digital scoreboard and replay screen at Tony Ireland Stadium as well as an upgrade of a PCYC. In Cairns there is money to do an upgrade of a sporting facility there at Endeavour Park.

I wanted to highlight to the committee today something that I mentioned earlier about the changing face of local government. Independently of each other nine councils put in applications for CCTV. There was no separate bucket of money saying 'CCTV'; it was just something that was put forward. Those councils varied in size. Brisbane City Council, the largest local government in the country, put in an application to upgrade their CCTV in the Valley to take it to the next level in terms of quality and the way it records. But there were also smaller shires covering little communities like Warwick. If anything shows the changing face of local government and, indeed, the community, that is it. There was a time that you would not have dreamt of a small community thinking about CCTV, and there are a couple of reasons for this. First of all, law and order was not the issue that it is today, and we have got to face up to that. Communities have a right to feel safe, and there was a time when that was not on the radar. It also shows that local government is not just roads, rates and rubbish, as it once was. It is so much more. I take my hat off to those councils. They are getting the message from their communities that they should be part of it, and as a result they are looking to either upgrade—in the case of a larger council like Brisbane and the Gold Coast, who have got funding for that—or in those smaller local governments, places like the Fraser Coast, to implement new systems for the first time, and I pay tribute to that fact.

**CHAIR:** I refer to page 82 of Budget Paper No. 3, capital grants. Can you provide the committee with details of the Thargomindah integrated community hub funded last year as part of the LGGSPIS grants?

**Mr CRISAFULLI:** Thank you, I am most glad to receive this question from you. I know you are someone who has done quite a bit of time in these parts of the state, I can tell you. First of all, it is interesting to think that the shire has approximately 370 people in its population. The mayor is a gentleman by the name of 'Tractor' Ferguson. They came to us with a project to create an integrated community hub. You must be saying, 'What on earth is an integrated community hub doing in the middle of Thargomindah?' It was once a student hostel, a building that was no longer of any use to the community. The council came and asked for us to put \$320,000 into a project that had a value of about \$800,000. For a start, it was good value for state taxpayers—we were making a contribution—but the local community was not shirking away from its responsibilities. This integrated community hub will have myriad things in it: internet access and all of the IT facilities that come with it; a meeting room with seating for 50 people; and a coffee shop, something that I am most excited to see. They have done the work in record time. They only began work a few months ago, and I will actually be going out to Thargomindah in the next couple of weeks, I think, to officially open it.

It was one of 67 projects across 43 local governments in last year's funding application. Whilst I have mentioned that not all of that work was done—due again in many cases to factors beyond the control of local governments—the projects are good projects, and I look forward as part of this year of delivery to seeing these projects concluded and, indeed, the next round taken to the next level.

**Mrs SCOTT:** For the benefit of the committee, I table a document on Brisbane roads and river crossings.

**CHAIR:** For members of the committee and members of the public, the member for Woodridge is a member of the committee, so therefore she can table that document.

**Mr MULHERIN:** How much money did the government pay the boundaries commissioner to assess and make recommendations on five out of the 19 proposals for possible deamalgamation?

**Mr CRISAFULLI:** It is in the order of \$50,000. I would like to talk about that process. We appointed the former mayor of Mackay, the home town of the honourable member, to embark on that

project. I asked the boundaries commissioner to work with QTC to do an analysis. We had submissions from 19 different communities ranging in size and shape. We said that wherever it was possible to create two viable councils out of the one existing council, we would let the community have an opportunity to have its say.

I have never once sought to hide behind the fact that the commissioner recommended that only one of those shires went to a vote, and I guess I am premeditating the next question from the honourable member, and I apologise if I have done that. I will answer it again, as I have with your first five questions. I have not sought to hide that fact. We said wherever it was possible we would do what governments do not do enough of, and that is put the facts on the table. We put the facts on the table and we said that it can be done. You can create two viable councils, but it is with significant cost and it is with significant challenges in the years to come. That is what we did. The advice that the boundaries commissioner provided was without fear or favour, and that is the way advice should come to government.

**Mr MULHERIN:** Minister, I acknowledge that you said that you went against the advice of the boundaries commissioner, so one would ask whether taxpayers received value for money when you ignored his recommendations and the recommendations of the Queensland Treasury.

**Mr CRISAFULLI:** Can I answer that question? There is a question in there. I will say that when you are a minister in a government, you should live and die by your own decisions. Provided you are not seeking to hide things from people, you should always be prepared. I will always look at advice and I will always take things into consideration, but ultimately I have to live and die by the decisions that I make. I never sought to hide anything from the community. It is a vastly different approach, I know, but one that I hope to take on board for the rest of my time in this place.

**Mr MULHERIN:** Minister, I refer to the fact that the boundaries commissioner recommended that Livingstone Shire not proceed to a deamalgamation poll because the remaining Rockhampton Regional Council was evaluated as unsustainable and deamalgamation would result in an unwarranted financial burden on ratepayers. The only people allowed to vote were the ones in the former Livingstone shire. Contrary to the recommendations, you have now exposed the people of Rockhampton Regional Council to a financial burden they should not have to bear by saddling them with this financial burden. Why did you allow that? Why did you not allow the people of Rockhampton a chance to have a say?

**Mr CRISAFULLI:** I will start by acknowledging the sincerity of the question, and I do so and genuinely say that there is sincerity there. I totally disagree with the premise, and for two reasons. First of all, each and every cost of the deamalgamation will be borne by the council wishing to break away. In this case it is the Livingstone Shire Council. They will meet all of their costs, every single dollar—

**Mr MULHERIN:** What about Rockhampton Regional Council?

**Mr CRISAFULLI:** I will finish, member for Mackay. They will meet each and every one of their costs, and they will meet each and every cost of the Rockhampton Regional Council when it comes to deamalgamation. That is always on the table. I acknowledge that as part of all of those assessments it spoke about the efficiencies with one larger council, but there is more to local government than just efficiencies. There are many other things, and local identity is also important. It is always a balancing act. I thought that provided all of the costs of the deamalgamation process were met by the council wishing to break away—and the costs are significant—that is a very fair way of doing business. You cannot penalise someone for lost future opportunities if they are meeting all of the costs of unwinding what you created.

But now for the sting in the tail: I guess there is an equal degree of hypocrisy between the debt levels you were speaking of before and depriving people of a vote. The former minister was promising to sack councils that had a vote when he put them to the sword in 2007. To somehow all of a sudden come in here as a fighter for truth and justice in the local government way and say that people were denied a vote is, quite simply, very unfair.

**Mr MULHERIN:** Then there was a state election and the government won, so people had their opportunity, as you say, come election time. But there was an election following amalgamation and the government won. But the question is about the ongoing financial sustainability of Rockhampton Regional Council. You are saying that Livingstone shire will have to meet those costs. That is only up to the point of deamalgamation, but this is an ongoing cost to council. Treasury has said that Rockhampton could become financially unsustainable because of your actions. Will your government financially support Rockhampton? The ratepayers of Rockhampton did not have a say.

**Mr CRISAFULLI:** Perhaps I answered the last question too well, because it is the same question. It is a question in response to an answer that I have already given. Like all councils, of course, we will help the Rockhampton Regional Council. As I said before, all of those deamalgamation costs will be met by Livingstone shire. Ratepayers in Rockhampton need to know that. In the case of Sunshine Coast, it will be the Noosa Council which is seeking to break away that will pay all of the costs. In the case of the Douglas Shire Council, it will pay all of the costs that are incurred by both it and Cairns, and that is a council that is a very small council in comparison. Finally, the costs of the breakaway of the Tablelands Regional Council will all be met by Mareeba. In the case of Mareeba it is a particularly difficult year because of some upfront infrastructure that needs to be paid for that is not a capital expense—because it is an operating expense—because it will be the asset of the other council. But these are all figures that were put on the table.

You must have been looking for some smoking gun where I was going to hide advice. I do not do that. I am just very happy to put it forward. But I will always go with what I think is the right thing to do. Provided there was the option of creating two viable councils, we were always going to do it. Do you know what? The communities had a say. Before the vote people said to me, 'There are four elections. What are you hoping for?' I guess by that they meant you are looking for none; you are looking for four; you are looking for two. What suits your political agenda? My answer was, 'I do not care how many; I just want clear results'. The only thing that was keeping me up at night was if it was a 50-50 split. It did not happen. They were clear results: in terms of percentage, three were in the high 50s and one was over 80 per cent. There are those in this House who would love to have margins of that ilk.

**Mr MULHERIN:** Minister, what contingency plans do you have in place to ensure that the deamalgamated councils do not fail financially? You have said here today that you will monitor the situation and you have processes in place. What are they?

**Mr CRISAFULLI:** I thank the member for the question, because it is a good one. One of the good things that has come out of the process is in all cases these four local governments, which will become eight local governments, have had extensive reviews of their credit ratings and they know their financial systems inside out and back to front. One of the first things is we are going to allow them to set their own budget from year one—that is, from January 2014—and that will enable them to make those tough decisions early to ensure financial viability. But we have shown in the last 16 months a real willingness to work with local government. I mentioned capacity building before, but there are other things and we have had to work really closely certainly with three councils that were experiencing some serious heartache.

There is an option of stepping in and always appointing an administrator that people would say is an option, and I have seen that done. I would like to try to work with councils that are struggling early. I think we have got enough information to know that all four of these councils have some tough financial decisions to make, but they are not tough financial decisions that need to be made with a blindfold on. All of these residents went to a vote knowing the cost. We even equated what that cost would be to a rate rise. You can never say that that equates to an exact dollar term, because any council can cut their cloth to suit. Every budget you can cut your cloth to suit. You can easily sit down and say, 'We believe that this service standard shouldn't exist for this and that'll save us a few bob there and we might want to defer this.' But what we wanted to do is put on the table the cost of deamalgamation—both costs, costs for the council wishing to break away and the remaining regional council. If those costs were to be passed on to the ratepayer, this is the cost. They are pretty definitive figures. We then said, 'This is your financial rating at the end of it. This is your forecast into the future.' That was all done. To make sure that people could not say down the track, 'If only we'd known that information,' we in fact wrote to each and every resident—

**Mr MULHERIN:** But you did not allow what is left of Rockhampton Regional Council—

**CHAIR:** Member for Mackay.

**Mr MULHERIN:**—a say whereas you allowed the people in—

**CHAIR:** Member for Mackay.

**Mr MULHERIN:**—Livingstone, and it is going to impact on Rockhampton.

**Mr CRISAFULLI:** A lot more of a vote than you allowed.

**CHAIR:** That is another question.

**Mr CRISAFULLI:** We did not sack them.

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

**Mr GRIMWADE:** Minister, I refer to the Service Delivery Statements and the efforts to deal with the issue of councillors being responsible for pointing out the material personal interests of other councillors. Could you please advise how you have addressed this issue and what consultation informed those decisions?

**Mr CRISAFULLI:** I thank the honourable member for the question. Indeed, it is a good one. If I had to boil it down and go a step further from what I was discussing with the member for Mackay, it is about individual responsibility—and long may that continue. One of the things that made me most happy was repealing a section that said that not only do you have to declare your own conflict of interests—and of course you should—but there was a section in there that said that you had to declare if you suspected another councillor had a conflict of interest. The term ‘nanny state’ comes to my mind, but I believe you take responsibility for your own actions. One of the beautiful things about local government, Mr Chairman, as you well know, is people come from all sorts of different backgrounds, but outside the Brisbane City Council—the largest local government in the country—people might have different political views but they do not go there as part of representing a political team. I think that is the beauty of local government and people should be free to sit around a table and to thrash out and debate all sorts of things. But you should not be held responsible for the actions of others and you should not be held responsible if you do not raise a suspected conflict of interest that somebody might have.

We also made an exemption that councillors do not have to disclose a material personal interest if the interest is common to a significant number of ratepayers, and this is something I picked up when I was visiting some of the smaller councils. They said that in some cases you will have a council with four aldermen and a mayor and there might be a grant application of a couple of hundred bucks for the local campdraft association. Well, they are either on it or the kids are in it or they run it. This was the absurdity of councillors having to leave a room and feel like criminals because they happened to be patron of an organisation or their kids played soccer there or something. That was the craziness of it.

There was also another provision that was removed which said that in the past a councillor could be held accountable if a parent or a child or a sibling—even if they did not reside under your roof—had a conflict of interest that you should have known about. You could be held accountable for that and, again, that is a bridge too far. Every time you do something like that, all you do is ensure that good people say, ‘Sorry. I’d love to be of service but I’m not going to because it’s all too much trouble.’ So in answer to your question, honourable member, it is about responsibility for self. It is about removing bureaucratic requirements. I was pleased with the level of consultation we undertook which involved a number of the representative bodies—people like the LGAQ, the CMC, the Ombudsman, the Integrity Commissioner. But, above all, it involved consultation with 73 local governments and I sat in every single hall that they represent.

**CHAIR:** Thank you, Minister. Minister, what work has been done with councillors to further reduce red tape following changes made to the Local Government Act and the City of Brisbane Act?

**Mr CRISAFULLI:** Thank you very much for the question. I mentioned a little earlier on things like self-empowerment with the local laws, the live streaming and the removal of the community plan. I guess one that I have not mentioned is removing regulatory duplication and red tape with things like beneficial enterprises and corporate entities, and indeed that is important. But we have also taken great pride in taking out a lot of the red tape, and by doing that we hope that we can make things easier for local government. As I go around the state I have a pretty consistent message—that is, we do not have bucketloads of cash to go throwing at people, but we do have a will to make things work and we do have a will to make things simpler for people back to a time when government did not have to be involved in everything. Good governments are governments that do not have to be in every little bunfight. You can allow people to get on with their lives, so we have done things like reduce the sustainability and reporting returns from three years to one.

I might briefly, with your indulgence, Mr Chairman, talk about the administration of a policy called GraffitiSTOP where we took the approach of empowering each local government—voluntarily—to be part of it. Therefore, it does not matter if you are talking about a huge graffiti issue in Logan or a picnic table in Longreach. It does not matter how big or small; we tailored a package to each council which allowed them a small amount of money to be able to respond to that graffiti issue. We made it voluntary and, rather than do the usual tie it up in a huge amount of red tape, we said to the councils, ‘We want to know that you’re tackling this issue. This is the reporting process,’—

simplifying it—and for the first time each and every local government came on board with that initiative. That is something I have never seen in my time looking at local councils. Independently of each other, all of them came forward. We are looking to further improve that program this year. But I use that as an example of ways that we can do that. I guess the other thing is I hope through the future regional round tables—this first one will obviously be about sustainability—we can develop things like that a little further as well.

**Mr GRIMWADE:** Minister, I refer to page 3 of the SDS and the objectives and highlights for the 2013-14 year. Can you advise what engagement with local governments across Queensland has been undertaken?

**Mr CRISAFULLI:** I thank the honourable member for the question. I guess there are two answers to this. The first is the engagement that I have personally, and that is something I take great pride in, but also the engagement that we have certainly through the department and indeed through the Reconstruction Authority. We unashamedly are about speaking to people directly and being there on the ground. I mentioned before that I made it my point in the early days of being a minister to get to every council. I really thought that that was an invaluable experience. Rather than sitting down in a room and summoning people to me, I wanted to go and see them on their own terms in their own place. I found that one of the most valuable things I have done.

I have made sure that we have continued that theme though and we have been back to the majority of those councils, and I mentioned that we will be going to Thargomindah in the next few weeks and indeed to Longreach and to your part of the world as well, Mr Chairman. I look forward to coming to visit there. That is important. We are also looking to use technology as much as we can. I recorded a video message for local governments which I had distributed highlighting what I said at the start of today—that this is the year of delivery. This is the year where we restore faith in the art of governing, where we say we are going to do this and we are going to do it; this is the project we want to do and we are going to do it. So, in the case of those local government grants, they have a 12-month window to deliver it. So it is not insignificant; it is a big challenge. To think in the past that we had carryovers going many years, it is a big challenge but one that I am confident they will meet.

We have also though—and I have to acknowledge the work of the department—conducted workshops with in excess of 300 councillors and senior staff on those amendments to the act and the regulation. I want to get the most out of those changes. Those changes are about giving elected officials the ability to set a course—to set the vision—and for the staff to know that they can work together to deliver it. We have made sure that we have been to and spoken with every council so they know their roles. It is about making sure that everybody knows their role in that. We have implemented a bimonthly electronic newsletter and, I guess at the risk of sounding like a broken record, Mr Chairman, those regional round tables will also be something that I think will bear significant fruit in that regard.

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

**Mr MULHERIN:** Minister, the people of Kuranda and other small communities in the nominal Mareeba local government authority area who do not wish to be separated from the Tablelands Regional Council feel like they are not being heard by this government. Have you met with them or are you willing to meet with them in order for them to have their say?

**Mr CRISAFULLI:** I thank the honourable member for the question. I will start by giving a little bit of the background and then I will answer the last part of the question about whether I have met with them and will I meet with them in the future. I have to acknowledge that in the case of Kuranda, which was part of the Mareeba shire, there was a strong feeling from that little community that they did not want to be part of the new Mareeba shire. Not only is that expressed in things like the newspaper; it was expressed in the vote. There is no doubt about it. But there was an overwhelming majority of people in the former Mareeba shire who did vote for it. What we said from the start is we were not going to embark on a project of redrawing lines on the map and pulling people here, there and everywhere. It was about giving people the opportunity to vote on those former shire boundaries. So I never dreamt up putting Kuranda in with Mareeba. That was what existed previously. The reason for that was twofold: first of all, what local government needs is a bit of clarity. What local government and local communities needed was certainty, and I was not going to embark on a project that continues to drift and drift and drift. We were going to take a decision and we were going to make it work for those that deamalgamate and for the rest of the state once that happens onwards and upwards and we make it happen. The other reason is all of those figures that people voted on were done by the QTC comparing that former shire, and people needed to know the costs involved. They

could not be hypothetical; they had to be strong, and we put that forward. So I acknowledge that, in the case of those residents from Kuranda, many of them did not want to go. I also acknowledge that some of them suggested they wanted to be with the Tablelands, some of them suggested they wanted to be with Cairns and there were some of them that wanted to go to Mareeba, and the vote showed that. What I can give them in the future, though, honourable member, is that certainty that we are going to make this work. I have encouraged them to make sure that they have a strong say as part of this process. I have met with them. I met with them when I visited Cairns and I commend the way—

**Mr MULHERIN:** How long ago was that?

**Mr CRISAFULLI:** I could check my diary, I say to the honourable member, but it was certainly post the deamalgamation vote. They conducted themselves with great valour. They were not aggressive. They were upfront. What I have said to them is I will meet them again, but it has to be a meeting about trying to make this work. I am not going to change my mind. A decision has been taken. The goalposts were not moved. The boundaries were not changed. They voted on the same lines. As with all elections, there will always be pockets of people who have different views on different things. There are people in my electorate who would rather have someone else representing them, as there are in yours. But overall a decision was taken—and a strong decision with a strong mandate. I guess that was the thing, as I said, to come back to you earlier, that pleased me the most. So if the question is will I meet them again as I have already, the answer is yes. But I will only meet them to talk about making this work. I am not going to prosecute an argument about an election that we have had. I am not going to fill them with false hope. I am not going to continue to let this drift on. We have to make this work. We have a transfer manager who is in place. He is living in the community. He has to make this work and the only way to do that is if people have that certainty.

**Mr MULHERIN:** I note the article in the *Gold Coast Bulletin* this week in which government MPs on the Gold Coast restated the government's position that the council is responsible for repairing beach erosion on the Gold Coast. Have you had any discussions with Councillor Tom Tate, the mayor of the Gold Coast, about the significant erosion issues facing the Gold Coast beaches?

**Mr CRISAFULLI:** I thank the honourable member for the question. I met Mr Tate a couple of weeks ago and discussed a range of issues for the Gold Coast. As you know, we are doing quite a bit for the Gold Coast—the Commonwealth Games, we are delivering police helicopter services, we are upgrading the police station at Broadbeach. These are the things that the state should and must help. I also mentioned before the CCTVs. We are also giving in the order of about \$180,000 for the Gold Coast to upgrade their CCTV systems. So indeed we are.

In terms of the issue with the sand, with the mayor and I, like many relationships, there is a lot we agree on and there are some things we disagree on and I disagree with the mayor that it is a state responsibility. There is a lot of east coast along Queensland and there are a lot of councils. It is a responsibility of local government and has been forever and ever. My message to the mayor was, rather than prosecuting an argument that he was not going to win, it was to roll up his sleeves and do it. I must say nothing gave me more pleasure than to see in the last few days that sand beginning to be repumped on to those beaches courtesy of the council. It is probably a little later than I would have thought. I would have got in and started it much earlier. But at last they have. I understand that it is a challenge to find money at any time. It always is. The Gold Coast is a large council—it has a budget of in excess of \$1 billion—and I acknowledge that it is still always a challenge to find money to do things. But there are some things that you are responsible for and your community expects and deserves it and, therefore, you do it. It would be equivalent to us saying, 'Oh my goodness, there's an issue. We would like to see more police. Why don't we go and ask the council to fund that.' We would not do that. That is our responsibility. In the same way the beach issue—sand replenishment on beaches—is a local government responsibility. I have to say that I acknowledge the fact that that work has begun in the last couple of days.

**Mr MULHERIN:** So it is the ratepayers who fund it, Minister?

**Mr CRISAFULLI:** There is no magic pudding. You should have discovered that.

**Mr MULHERIN:** Has your department done any modelling on the potential financial burden that continual repairs to the Gold Coast beaches will place on the Gold Coast council?

**Mr CRISAFULLI:** Again, I thank the honourable member for the question and I am going to answer it in the same way as the last line of questioning. I am not the mayor of the Gold Coast. The role of the mayor of the Gold Coast will be to determine the funding priorities for his city. He has a big budget. I acknowledge that. He has a big budget. Regardless, in any budget it is always a challenge.

There has always got to be things that go in and go out. But it is an important part of the city, it is an important responsibility of council and I pay tribute to the fact that work has started.

**Mr MULHERIN:** Minister, have you held any discussions with the Deputy Premier on his department's paper regarding infrastructure charges? A number of local governments, including the Mackay Regional Council, have expressed concerns about the outcomes of this review in that they would be financially disadvantaged. Have you had any discussions to provide the Deputy Premier with an insight into the thinking of local government? I think you were on record as saying that one size does not fit all.

**Mr CRISAFULLI:** I thank the honourable member for the question. The answer is significant. I have had significant discussions with the Deputy Premier. I even met with your council the other day and put forward a solid argument in that regard. Whilst the honourable member is spot-on—it is not my responsibility—I make it my business to try to have input into that, because it is a significant factor. There are two elements of infrastructure charges and, unfortunately, we only talk about one. So if you would indulge me, Mr Chairman, I will talk about both of them. The first is who pays and when they pay it. We keep dancing around this issue but, whether it is the ratepayer, whether it is the taxpayer, whether it is the developer when they are chopping up the land, ultimately there is only one person who pays and that is mum and dad. It always comes back at the end that someone has to pay for it. There is always a consumer. So whether it is the ratepayer, whether it is the taxpayer, whether it is mum and dad when they buy their block of land, either way that is the issue. We can talk about timing and we can talk about caps. The history of this is not pretty. I lived through it as chairman of my planning committee in my council. Deadset: it was a backflip-a-thon. It just kept on changing the goalposts. There were caps in and out if it was two bedrooms or three bedrooms. It was a shambolic mess. There are others on the committee who have lived through that as well.

That is the first element. But there is a second element to it and that is the type of infrastructure that has to be funded. That is the part of the debate that we have not addressed and that is the part of the debate that I would encourage everyone around this table to seriously look at, because we can keep talking about who pays and when they pay but until we face up to the situation that the cost has to be borne by someone and that that cost is hurting people, we will never be able to solve the problem. So we have to ask ourselves the question: what type of infrastructure do we want to deliver? What type of roads? What type of water treatment plants? What type of sewerage plants? What standard of parks? All of those questions are the ones that we have not answered. As part of any review, the headline figure will always be about a cap and one side saying this and that, but we will never make true headway unless we deal with that. That will come with a degree of political pain for all of us, but I am certainly prepared to wear the political pain if at the end of it there is less pain for the hip pocket of everyday people.

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

**Mr WOODFORTH:** Can the minister please advise the committee on some of the other key milestones achieved in the Bundaberg and North Burnett clean-up effort?

**Mr CRISAFULLI:** I thank the honourable member for the question. I come back to, first and foremost, the speed of the recovery. That has been something that I have been particularly interested to see and particularly proud of. I mentioned in my opening remarks the fact that what took 18 months to get a small fraction of work to the market has been done in less than a quarter of the time. But there have been a number of other elements to the recovery. You mentioned Bundy and North Burnett. That certainly has been ground zero. That is the one that we have all seen on our TV screens. I should acknowledge the work of both of the mayors—both Mal Forman and Don Waugh—both first-term mayors, new mayors, albeit with experience in local government but first-term mayors. It has been a learning forged in fire, but they have done a mighty job for their communities.

Along the way I have heard some incredible success stories and seen some incredible heartache. I have visited the region in the order of about a dozen times—that particular region—and I have seen tears and laughter, but we have seen a recovery. Nothing gave such a boost as when the Origin team visited and to have some of Queensland's favourite sons really give a lift. While he was there, the coach, Mal Meninga, helped me promote some of the citrus fruit in the area. Some of the oranges had been battered by the floods. Like Queenslanders, they were a bit battered and bruised, but there was nothing wrong with them inside. We have managed to push that and tried to encourage some of the mainstream markets, including some of the major supermarkets, to stock those products to try to help those farmers.

We have seen some betterment projects. In late June I attended the first sugar ship leaving port. We had an announcement yesterday where the federal government has agreed to pay its share of further deepening that channel. There is a little bit more to go in some other areas, but that was a wonderful start. We have had over 600 households provided assistance. We have had a community recovery package for things like counselling and mental health. There is a long road ahead, but this week marks six months. I would like to think that we have given the community two things: the first is we have given the community a glimpse that things can happen and can be delivered but the other thing is I hope that we have given the community an understanding that, whilst some parts of the state were not affected, they are still in the thoughts and the prayers of those people.

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

**Mr GRANT:** Minister, I refer to page 3, dot point 10, where the government is looking at recovery and resilience activities implemented to mitigate the effects of natural disaster and that you will be establishing a strategy governance and resilience division. Could you advise when that division will be up and running?

**Mr CRISAFULLI:** The answer is that it is actually up and running now. They are tasked with the responsibility of drafting and implementing the government's flood recovery plan. They will deliver a community resilience campaign to help build that into our communities and infrastructure. But let me give you what I think is the key priority of that group and that is to identify opportunities with local government to do things on the ground to mitigate against future events. We will never—never—flood proof a state like Queensland. We all know that—never. But that does not mean that we cannot do better and that does not mean that we should not look for opportunities to embark on projects that have for too long been put in the too-hard basket and for a combination of reasons.

There was a time period where, because we had not suffered from events of this magnitude—and we have had a rotten run in the last few years—if anyone mentioned building a levee bank or a retention basin or a dam where the community wanted it built, they were painted as some sort of environmental vandals. I think that sentiment, if you pardon the pun, has been well and truly washed away—and for good reason. When you ask what is in my view one of the most important roles of this team, it is to help local government build those sorts of projects. I was with the chairman the other day at St George where they are looking to build a levee for their community. There are those in the community who are opposed to it. Of course there are. There are always winners and losers whenever you put up a levee bank. It stops water, which means that it holds back water. But to the great credit of the council they are progressing with a levee that will protect a huge number of homes in that region.

We are also looking to assist in Roma. We have put forward a contribution, both through the local government grants project and the Royalties for the Regions, the flood component of that. Two little communities in the Paroo shire, one called Eulo and one called Wyandra—again small little projects, not multimillion-dollar projects, but small little projects where the council has come to us with an idea and we are going to back them to protect these small little towns because we think if local government is willing to do it we should be shoulder to shoulder with them. There are other things as well: backflow prevention projects, some flood preparedness issues. All of that will be looked at. The new team will also play a role in helping with the floods response subsidy. Again whilst not a huge amount of money, it is an important amount of money and my view is to make sure that this team drives delivery in this financial year.

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

**Mr WOODFORTH:** Thank you, Chair. Minister, I refer to page 2 dot point 2 of the SDS. Can you please outline to the committee what help for communities most stretched by the mining boom is on offer through disaster mitigation and resilience funding.

**Mr CRISAFULLI:** Thank you to the honourable member, through you, Mr Chairman. I guess the greatest thing we can do when we talk about communities that need help through any boom is to deliver the work promptly. What we have done this year for the first time is we have actually streamlined the application process when it comes to putting in applications for disaster mitigation and resilience. Previously there were three projects administered by separate agencies and whilst there was collaboration, and that was something that had to occur, this year it will all be administered through this department and it will be done with one application. Those three programs are the Local Government Floods Response Subsidy, which I mentioned before; the Royalties for the Regions flood funding, that comes across; and there is also the Natural Disaster Resilience Program. That particular component is funded jointly between the state and federal government. We are still not quite sure the

quantum of money there, but we are getting close to having a resolution and having an agreement signed. What we didn't want is for all of the projects to be held up while that was negotiated. Applications have gone out. Councils are busy looking at putting them in. The joy of putting them together is you are going to have a quantum in the order of \$35 million and, as I said, the last bit is still being negotiated but we have had good spirit from the federal government. The joy of that is for a start the council doesn't have to pick which is the best bucket of money to apply for. They can also with confidence put in an application and know that if their project stacks up the best, they have got the best chance of making it work rather than having a situation where you put it into the wrong bucket and you would have got it if you went somewhere else. But above all it cuts red tape and it actually gives every opportunity to get good projects up. There have been some really good thoughts. I come back to my earlier point, you are never going to flood proof the state of Queensland, you are certainly not going to flood proof it with \$35 million, but I think we are going to make some good starts and we already have. Some of the projects that are underway are, quite frankly, exciting.

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

**Mr SHORTEN:** Minister, I refer you to page 30 of the SDS which deals with the Queensland Reconstruction Authority and where in strategic direction the government aims to deliver best practice expenditure of public reconstruction funds and I ask: has there been any difficulty in signing off on some local government reconstruction expenditure and has this been done in a timely manner?

**Mr CRISAFULLI:** Mr Chairman, I thank the honourable member for the question and the answer is yes there has been some difficulty. In the same way that I am always prepared to acknowledge good work from either side of politics, and I have done that on several occasions today including in my last answer, I will also have to acknowledge when things aren't right and, quite frankly, in this regard there is something that is not right and that is that at the moment we are still out of pocket to the tune of \$725 million. We are out of pocket because of nothing more than over-bureaucratic, mean and tricky accounting practices.

Let me detail the story a little bit first. There is no doubt that there has been in recent times, certainly since the creation of the Reconstruction Authority in 2011, far more stringent reporting processes and guidelines and that is good. Everyone wants to see money spent in the right way. This year we had more QRA officers on the ground with local councils than ever before. I think that was one of the great keys to the success. Often what has happened in the past is you have had councils put in applications and you have had argy-bargy that can go on for an extended period. This time we were on the ground more than ever before and as a result a lot of those problems were ironed out at the assessment stage so there was no need for paper warfare stretching for months. There is no doubt that it has resulted in stronger submissions.

But what I want to point out is that there is still an outstanding amount predating 2011 in the order of \$725 million and each and every taxpayer of this state is paying it. It has been an issue that unfortunately has not been able to capture the hearts and minds of people because the work has been done. Now, if there were broken roads and that money hasn't been paid there would be all hell to pay. It would be top and centre and we would be on the front page of every newspaper and we would all be belting everyone up to get action. Unfortunately in this case the money has been paid, but the shortfall is being picked up by the state taxpayer. As you all know, as part of the recovery arrangements it is funded 75-25. The federal government pays 75 per cent, we pay 25. What the federal government is saying is because it does not meet a reporting guideline that exists today the money is not entitled to come to Queensland taxpayers. And that is not fair. Councils have not done anything wrong. Based on the rules at the time they did exactly what they needed to. But to apply retrospectively a set of guidelines that were not there in that instance is just not fair. To quote from the Queensland Auditor-General, he said, 'At a practical level local governments have found it difficult, if not impossible, to comply with this new and higher standard of evidence in respect to pre 2010-11 flooding and Cyclone Yasi claims.' I say, through you, Mr Chairman, it just doesn't make sense. The work has been done. You only have to go to the communities to see the work has been done. The loser unfortunately in the long run will be the Queensland taxpayer. I ask each and every one of you to continue to make it an issue as part of this campaign, the federal campaign. We do not want Queenslanders short-changed for work that has already been done.

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

**Mr MULHERIN:** Minister, in the discussion paper on infrastructure charges it talks about revising the list of essential infrastructure and removing non-essential infrastructure which has been flagged as stormwater networks, arterial roads, reduction of green space. At page 20 of the paper it

says that these revisions to the list of essential infrastructure will 'show a reduction in infrastructure costs for a developer regardless of location based on the reduced scope of infrastructure.' Minister, have you assessed what these changes would do to the financial sustainability of local government? Ultimately someone has to pay.

**Mr CRISAFULLI:** Mr Chairman, I thank the honourable member for the question. Whilst infrastructure charges are not my bailiwick—

**Mr MULHERIN:** I realise that.

**Mr CRISAFULLI:**—please let me answer it even though it doesn't correspond with the SDS.

**Mr MULHERIN:** Support local government financial sustainability.

**Mr CRISAFULLI:** Indeed the member for Mackay is correct. It is a challenge and it is a challenge for all the reasons I outlined before. Yes, there is a draft discussion paper and they are the things that we have to discuss, they truly are. But one of the great things we have to face up to, and it is something that the previous government was not prepared to do, is that you cannot be all things to all people and not pay. You only have to look at crazy green schemes on things like electricity to understand that. When it comes to power prices, our crazy green chickens are coming home to roost. The problem is if you factor in all of your best of breeds, ultimately someone has to pay. There is no simple formula. So we have to look at the infrastructure. I think that is where you are getting to in your question, honourable member. We have to look at that. We have to look at the standard of infrastructure. To do it in any other way will not work.

**Mr MULHERIN:** Just one other question while we are on infrastructure, Minister. With the changes being proposed in the infrastructure charges discussion paper will you rule out any external financing of local government infrastructure as part of the reforms for local government?

**Mr CRISAFULLI:** Mr Chairman, I thank the honourable member for the question, and can point to the fact that we play a large role in helping to fund local government infrastructure. You only have to look at some of the things I have been talking about to know that. In the case of the local government infrastructure grants, one of the projects, in fact, was an upgrade to a water treatment plant in the honourable member's home city. There are others who put forward an application for upgraded water and sewerage. I gave a significant grant to the Rockhampton Regional Council. They are embarking on an exciting project there. We will continue to assist local government.

Funding of infrastructure is a challenge. What was a huge challenge was a few years ago when the 40 per cent water and wastewater subsidy was taken from local councils. Again no consultation, it just happened. In fact, the first local government knew about it was when they awoke to the budget news. It has had a huge impact on local government. I wish we were in a position to be able to return that and I hope one day with the right financial stewardship we will be. In the meantime what we have to do is take opportunities to fund those sorts of projects and we have, through projects like Royalties for the Regions. There is significant work in areas like Roma. You would know, Mr Chairman, that the sewerage capacity there was severely tested, severely over capacity. But also through local governments we are trying to take every opportunity to fund those projects, but there is a long way to go. Infrastructure funding will be a big challenge for councils.

**Mr MULHERIN:** Minister, I will move to questions around the Reconstruction Authority. When are you expecting to have all the reconstruction work finished and what will happen if the deadline is not met?

**Mr CRISAFULLI:** Mr Chairman, I thank the member for the question. It is a good question. We had a deadline approach at the end of June of this year for work predating, and we worked with local government to deliver, almost entirely, that work without having to go and ask for an extension. The message is simple: we do not have the appetite for pushing it back time and time again. This year is the year of delivery and what I see so far is a real appetite for councils to make that work. It is early days and you can always be knocked around. You only need another disaster event to really put you back in your place. But the first few weeks of this financial year have been good ones. The last couple of months have been particularly good. I acknowledge the work of the Department of Transport and Main Roads, which is in fact leading the way in terms of its delivery of the work. But councils have also changed as well. They are also delivering at record times.

In answer to the honourable member's question, we don't want to get in a situation where we're going cap in hand to the federal government asking for extensions. We don't want that. We don't want it for two reasons: one is we don't want to have to go and say to them that we haven't met our targets, which has occurred in the past. The second reason is the communities don't deserve to be put

through it. We have got to find every opportunity to give people a reason to celebrate and we've got to take every opportunity to do that. If we can show them that we are serious about replacing infrastructure, if we can show them that we are also going to not just replace but make better with that small amount of money that we have, we've got to take every opportunity to do that. In the process we can rebuild not just the infrastructure of communities, but we can rebuild people's spirits as well.

**Mr MULHERIN:** Minister, I acknowledge that you are working to try to meet those deadlines, but just in case you don't, what sort of contingency have you got in place?

**Mr CRISAFULLI:** We are going to make them. I say through you, Mr Chairman, that the honourable member quite rightly points out how important it is to make those deadlines. He is right. I am not going to turn this into painting stories of the past, because that will serve no-one's interest. All I can say is there has been a big turnaround in the way that both the state and councils have delivered their recovery this time around. That turnaround has not been by chance. It has not been by fluke. It is part of a new relationship and it is part of a new on-the-ground approach and I could not be happier. I say to the honourable member that it is something that I am going to make sure that we just keep on delivering. It has to be done. All of the delivery mechanisms point to us not just delivering on time but maybe even a little bit better than that. The last thing we would want is for another summer of heartache. However, if that happens, we will deal with it. We will pick it up in our stride and we will go. But all of the early signs are that this will be a year of record delivery.

**Mr MULHERIN:** Unfortunately, we have had a fair bit of experience in the last few years about delivering, so one would hope that we would get better in the way that we perform the reconstruction tasks. I pay tribute to your agency, the Reconstruction Authority, for the wonderful work they have been doing with local government. Minister, how much money has the Commonwealth advanced to the state under the regional national partnership agreement signed by both governments in 2011? Could you separate it out in years from 2010-11, 2011-12 and 2012-13?

**Mr CRISAFULLI:** Thank you very much for the question. I will get those figures and I will make sure that I give the right figures to the honourable member. Needless to say, though, one of the huge challenges for the state, despite the fact that there are payments that come through, it is always money that we have to find in the budget. It is always money that we have to, first of all, stump up for and then retrospectively go looking for. The example that I gave before, which was of that \$725 million, proves that nothing is guaranteed. Nothing is guaranteed. It is easy to say, 'Look, 75 per cent will be met by the Commonwealth,' with the exception of the betterment, obviously, which is where we are going to be funding fifty-fifty, that betterment argument—

**Mr MULHERIN:** That is under category D, Minister?

**Mr CRISAFULLI:** That is correct. The reality remains that there is always a risk of that money not coming in. Sadly, the figure I gave before is proof of that. That money needs to be found. In this year it is \$4.2 billion. Of that \$4.2 billion, whilst we are programmed to get 75 per cent of that, there is always that risk that is there. To go through the actuals to 30 June 2013, that is, to date: Commonwealth funding of \$5.2 billion—

**Mr MULHERIN:** That is 2012-13?

**Mr CRISAFULLI:** That is the actual to 2012-13. The forecast for 2013-14 is \$1.6 billion. That is a deficit this year of \$1.5 billion. If you take the cumulative deficit of those two years, it is a deficit of in the order of \$1.2 billion. There is always that catch-up. That is one of the struggles. The \$725 million is an example of it, applying a different set of standards. I do not seek to say that there is anything but goodwill from everyone in this regard, but there is the reality that it is always the taxpayer of Queensland who has to fund it upfront—and you would know that, honourable member.

**Mr MULHERIN:** Minister, can you take on notice the figures for 2010-11 and 2011-12?

**Mr CRISAFULLI:** No, we will continue to get those for you. I have them here. Mr Chairman, the dates of receiving and the event that it relates to: we have 7 March 2011 and that is for 2010-11, and that is \$1,000 million, or \$1 billion; 7th of the 6th, the same amount for the same event; 7th of the 6th, \$50 million advanced for Yasi; 28th of the 6th, \$206 million advanced to Queensland LGA package; 7 February 2012, \$500 million advanced for summer floods and Yasi; 7 February 2012, \$1.4 billion advanced pre 2010-11 disasters and 2010-11 summer floods and Yasi; 7 May 2012, \$1.051 billion unaudited certificates for 2008-09, 2009-10, 2010-11, total \$5.2 billion.

**CHAIR:** Minister, we might move on. Minister, on the issue of reconstruction expenditure and recovery, I understand that \$725 million was for 2011. I think that is what you were saying. What about impediments by the Commonwealth for current recovery processes? Are there other issues that

we have not discussed in relation to what is likely to impede the next disaster that comes or have we covered that?

**Mr CRISAFULLI:** I think there are probably impediments for not just the next one but also the recovery now. It is something that I touched on very briefly, but I thank you for the opportunity to expand on that. It is the fact that, either via a mistake or a failure to understand the magnitude of the recovery, when the new Prime Minister came to office there was no dedicated flood minister in cabinet. To me, that was a big, big mistake. We raised it. We raised it very strongly. The first thing we were told was that the Prime Minister said he would do it himself. Then the Attorney-General, Mark Dreyfus, was sort of given a responsibility in some regard. There was a parliamentary secretary appointed, Shane Neumann, to help oversee it.

I guess my issue is to highlight that it is one thing for a politician to go and stand at the time of a crisis and that is important—we need the leadership at the time—but it is equally important to roll up your sleeves and finish the job and go back, time and time again, to an area and show that you actually care about them. I thought that sent the wrong message. Less than six months after an event to not have a flood minister in cabinet I thought was wrong. Senator Ludwig and I had some discussions at times where we had very different opinions, but he always took my call. He was always willing to have a frank and open debate on something. Whilst I would have liked to see more success in the area of betterment, he still did help make a contribution to a fund that has never existed before like that. I still say that, looking back in time, that will be a turning point in the way we recover from floods.

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

**Mr GRANT:** I am going to move from recovery and resilience to grants. I refer to page 3.2 of the SDS. What support will local communities receive as part of the Show Societies Grants Program?

**Mr CRISAFULLI:** I thank the honourable member for the question. It is something that I am most excited about. At the heart of every community is the local show. In some electorates such as yours, Mr Chairman, there are many local shows. However, the one thing about them is that they are the glue that brings that community together. One thing that I am most pleased with is that this year there will be \$2 million that goes to local show societies. In most cases they are independent bodies. There are 131 show society grants that have been approved. A couple of those are still run by the council, but the vast majority are just mums and dads who roll up their sleeves. They are the lifeblood of those communities.

One thing that I am most pleased with is that, aside from that, we have put aside a small amount of money for shows that were impacted by the floods—to come forward with additional applications to try to look for ways to make them more resilient into the future. It might be looking at some technology to support records; it might be fixing up a piece of infrastructure. Either way, the local show is the cornerstone of the community and the smaller the community, the more the local show means.

**CHAIR:** Minister, going back to talk about recovery and resilience. We really have not gone into detail about the betterment fund. With the agreement with the Commonwealth and the differing alternatives that are proposed, how do you think that will progress? Without a successful arrangement between the Commonwealth and ourselves, we are not really going to get anywhere with that. Maybe you can give some examples of what can happen if we do it right.

**Mr CRISAFULLI:** I would love nothing more than the opportunity to talk about betterment time and time again. As I go around the state, I keep using the betterment arguments as something that is of such vital importance. Nothing would give me more pleasure after the next disaster event than to be in a position where, instead of going and standing beside a crumbling bit of infrastructure, I can go and stand beside one that survived. That is the joy of this betterment fund. We wanted a \$200 million fund, jointly funded fifty-fifty between the state and the Commonwealth. We got \$80 million, so we got \$40 million each. It fell well short of what we wanted. We had one of two options. We could have easily done the political dummy spit and put our thumbs in our mouths and said, 'No, that won't do anything,' or we could accept that that was all that was on the table from the federal government and actually show value. That is what we have done.

With the Queensland Reconstruction Authority, we have asked councils to come forward with their ideas to not just rebuild like for like, but to take it to the next level. You cannot deny the fact that if you continue to do the same things in the same way, you will keep getting the same results. There are roads that have been rebuilt to the same standards and they have been smashed year upon year,

and likewise with bridges. This changes that. As I said, \$80 million will not change the world, but it will provide us lasting legacies that this has to be the way that we do business in the future.

I have two missions. The first is to try to get that remaining \$120 million—to try to get a commitment of \$60 million as part of this federal election. Secondly, I would also like to see it expanded to state assets. At the moment, one of the conditions is that it only applies to council assets. I thought that was a little bit narrow-minded, because if it is good enough for council assets it should be good enough for the state because, at the end of the day, it is all funded in the same 75-25 manner. I want to see extra money and I want to see those priorities where they mean something to council, whoever owns the asset, to be able to deliver it.

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

**Mr WOODFORTH:** In regards to the betterment fund, Budget Paper No. 2, page 8 and in reference to the question on notice, can you provide details of the Moorabinda Drive betterment project?

**Mr CRISAFULLI:** I thank the member for the question. I am delighted to answer it. The joy of these betterment projects is that in each case we have had a willingness for local government to be involved. Why this is particularly of interest is that if you look at how the asset gets redone if it is destroyed, ultimately, it is not the local council that bears any of the cost.

The fact that these assets keep getting washed away time and time again means the federal government pays 75 per cent and the state government pays 25 per cent. The local councils have seized on this betterment as an opportunity. They have even been willing to make a contribution. What that shows is a level of government that is in touch with its community. Whilst they may not be up for the cost, they know the pain that that causes their local area.

You asked about Moorabinda Drive, which is in the Fraser Coast area. It services around 70 properties. It is an important inland route. It has been damaged time and time again. The best thing is that, of a betterment component of \$339,000, the local council is contributing nearly \$80,000 to that project.

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

**Mr MULHERIN:** My question is to the CEO of the Reconstruction Authority, Mr Newton. Previously the minister referred to a sum of over \$700-odd million that has not been paid by the Commonwealth. Has the Queensland Auditor-General formally signed off on that funding amount?

**Mr Newton:** I thank the member for the question. The Queensland Auditor-General did a review of those works and the documentation and he provided a qualified audit on those. That was what went to the Commonwealth and which led to the Commonwealth not proceeding to the acquittal. But I refer back to what the minister was saying, which is correct in the respect that the processes and procedures that are being applied now are being worked through with the Auditor-General to try to recoup those funds.

**Mr MULHERIN:** The Auditor-General did say—

My assessment was that these did not constitute sufficient, appropriate audit evidence to fully support the eligibility of claims.

You say that you are now working with the Auditor-General. Is it not the case that the ball is in the Queensland government's court? If it was a qualified audit, would you pay?

**Mr CRISAFULLI:** Could I respond to the member's question in two parts.

**Mr MULHERIN:** Hold on, Minister. The question is to the CEO. I am entitled to ask the CEO.

**Mr CRISAFULLI:** Sure, but let me make two points. The first is that your question is absurd for two reasons. The first absurdity—this is my particular favourite—is that it dates back to a time when you were in government. It would be so easy for me to blame the former government and say what a shoddy job you did in acquitting, but that is not right. That would not be the case because it was a different point in time and to raise it is absurd. The second and complete reason I sit here shaking my head is, what you are effectively saying—

**Mr MULHERIN:** You are saying the Commonwealth has not paid.

**Mr CRISAFULLI:** What you are effectively trying to say now is that you are prepared to short-change your state to help your mates in Canberra.

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

**Mr CRISAFULLI:** That is absurd.

**Mr MULHERIN:** Minister, what I am saying is that the ball is in the Queensland government's court because the Auditor-General put a qualified report in around the payments. The CEO of the Reconstruction Authority is saying that they are working through those things, which means that they have accepted the concerns of the Commonwealth and the Auditor-General and you can progress it from there.

**Mr CRISAFULLI:** First of all we saw—

**Mr MULHERIN:** You are saying that the Commonwealth are short-changing you.

**Mr CRISAFULLI:** The first thing we saw from the member for Mackay was he jumped up and down because he did not want the Queensland Plan summit to be in his city and he went to Brisbane. He gets a little further south each year. He is the opposite of Graeme Connors; now he is defending Canberra.

**Mr MULHERIN:** Minister, you know for a fact that I did not say those things.

**Mr CRISAFULLI:** Yes, you did.

**Mr MULHERIN:** The Premier apologised. It was about the backflips the Premier had undertaken around community consultation.

**Mr CRISAFULLI:** The reality is that the work was done at a different time and it would be wrong to criticise the former government, in the same way that it would be wrong to let Canberra off the hook. Right now, in the context of a federal election, you should be doing all you can to stick up for your state. It is embarrassing.

**Mr MULHERIN:** I am pleased that Mr Newton is working through the issues. It appears that you do not want to. You want to pick a fight.

**Mr CRISAFULLI:** No. It is embarrassing.

**CHAIR:** Member for Mackay, do you have another question?

**Mr MULHERIN:** Regarding category D NDRRA funding, how many category D programs or projects have been agreed to with the Commonwealth since the 2013 disaster?

**Mr CRISAFULLI:** I thank the member for the question. The answer is a considerable number because the betterment actually counts. It is classified as category D. There have been a significant number of those. But there are others. The other day we saw the announcement from the federal government about the additional dredging at the port of Bundaberg.

I will get the exact figures for the honourable member. It is a good question and it shows there are those different categories and they trigger different amounts. For the benefit of the committee I guess it is probably opportune that I explain that. Category A and B is a funding split of 75-25. Category D is where it is fifty-fifty. I think the federal government should be falling over itself to assist us and give us more money for betterment, and so should the opposition—this should be something that right now is front and centre as part of the election campaign. The betterment fund, which is the category D that the honourable member—

**Mr MULHERIN:** So Tony Abbott is going to deliver to you, is he?

**Mr CRISAFULLI:** I could not care where the money comes from. We need it. I stick up for Queensland, not Canberra. The fact is that category D is funded fifty-fifty. If you are going to make infrastructure stronger, it is in the federal government's interest to do that. We are rolling up our sleeves. I have mentioned the fact that local government is also playing a role in that regard. In answer to the honourable member in terms of the number of category D applications, the answer is a significant number.

**Mr MULHERIN:** So you will take it on notice and provide a list to the committee?

**Mr CRISAFULLI:** We are going to get the information to you, honourable member. The answer is a significant number because betterment has been a key part of that. I will report that information to the honourable member.

The additional dredging in Bundaberg that the Attorney-General announced we will count as one. I would never suggest for a moment that he would go back on their word. We have got category D for the community recovery package which is through the department of communities. The betterment fund, which I have mentioned, is an \$80 million fund funded between both levels of government. We have a clean-up and recovery program through NRM of \$10 million. The figure for the first one was five, by the way. We have industry recovery officers through DAFF and enhanced concessional loans and grants from QRAA of \$1.5 million and \$3 million respectively. My apologies,

the last one, QRAA, is in fact category C. The first five, including the additional dredging for Bundaberg, are category D, but the enhanced concessional loans and grants through QRAA are category C. They have the same funding arrangements—still 50 per cent—but they are category C rather than category D.

**Mr MULHERIN:** What is the value of those category C loans? Up to what quantum could primary and small businesses access?

**Mr CRISAFULLI:** The honourable member would be well aware that that is administered by the Department of Agriculture, Fisheries and Forestry. As a former minister in that portfolio he would know that.

**Mr MULHERIN:** You have just mentioned category C. There is category D funding for primary producers and small business. Is there no category D funding for small business and primary industries or only category C? That is why I asked what the quantum was?

**Mr Newton:** It is category C to a certain threshold and then there is category D above that. We have rolled it up. It was done as a single package at the one time.

**Mr MULHERIN:** Unfortunately in the community there are always some people who will fraudulently make claims. Have there been any instances of fraud?

**Mr CRISAFULLI:** What I will do is take advice so I do not mislead the member. I will get exactly the details that he needs in that regard.

**CHAIR:** Is that part of your portfolio?

**Mr CRISAFULLI:** It is not.

**CHAIR:** You probably do not have to take that on notice.

**Mr CRISAFULLI:** I was not taking it on notice. I was just going to try to assist the member by getting some advice. I am happy not to. The money that the honourable member is talking about is through the department of communities, but I thought I would try to assist.

**Mr MULHERIN:** I thought the Reconstruction Authority had complete oversight over the whole lot?

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

**Mr GRIMWADE:** I refer to page 3 dot point 7 of the SDS where it outlines that you are developing comprehensive online resources to support and promote the understanding of local government legislation. Can you confirm when this online resource will be available for local governments to access?

**Mr CRISAFULLI:** Thank you very much. I am delighted to answer the question. There is no doubt that there has been sweeping changes in this area. The fact that we have made significant approvals in that online information will be well regarded I think. I mentioned before about the online newsletter. I mentioned about helping local government staff and councillors know about their responsibilities. I failed to mention the councillor resource kit which is something that we have keenly put forward.

I guess what it boils down to in this area is the need to make sure that people know what they are empowered to do. We are unashamedly about making sure that local government can deliver for their communities. We will continue to take every opportunity, both online and in the flesh, to deliver for these communities, and they should know that they are a valuable level of government that is charged with serving the community the way they see fit.

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

**Mr SHORTEN:** I refer to page 4, dot point 3 of the SDS. What work is being done to fulfil the recommendations of the Queensland Floods Commission of Inquiry?

**Mr CRISAFULLI:** I thank the honourable member for the question. Indeed it is an important one. There is no question that ensuring that we implement those recommendations is vitally important. I should speak specifically to those areas that I have responsibility for and acknowledge that the Reconstruction Authority has developed the Queensland flood mapping program to implement a number of specific recommendations. In September of last year we launched the flood check website and a Queensland flood study database. What this means is that councils and other agencies can upload details on existing flood information that they may hold. Probably of most interest to you is that we have now completed flood mapping for 104 flood-prone towns across the state. That was done by the end of January. The program was completed as a whole by June of this

year. That is important. I mentioned at the start my intention to make sure all that information is available for the insurance companies. We need to provide every opportunity for every person to be given a break. Having good information is the cornerstone of that.

You would also be aware that \$40 million has been set aside over three years to help councils implement those recommendations. That was \$13.4 million in 2012-13, \$13.3 million this financial year and \$13.3 million in 2014-15. Coupled with our desire to get results for flood communities, that is a big step forward.

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

**Mr WOODFORTH:** As it is approaching stumps, this will be my last question for the evening—just staying with the theme of things. Minister, in regard to graffiti, are you aware of any upcoming legislative changes which will also help the local governments tackle the war on graffiti in conjunction with the GraffitiSTOP program?

**Mr CRISAFULLI:** I thank the honourable member for the question and acknowledge that graffiti is a real issue. I am sure it is a real issue in your community as it is in mine. That is the thing about graffiti. It does not matter how big or how small: it makes people feel a little unsafe and it saps the pride out of your community. You mentioned some of the changes to help attack graffiti. I am particularly proud of our GraffitiSTOP program that I mentioned before—\$2 million, of which the vast majority goes straight to local government to deliver. We feel that is our contribution to something that is a real issue right across the state. Your council has in fact spent \$15 million on graffiti enforcement and removal, and that is significant.

The question you ask relates to upcoming legislative changes. It was my pleasure to announce with the Lord Mayor recently about those changes to the Youth Justice Act and the Police Powers and Responsibilities Act. What that effectively says is that councillors can now use kids between 12 and 15 to remove graffiti, and I think nothing sends a stronger message than that. We can lecture all we like. We can do all sorts of things, but getting these nocturnal creatures to go and spend some time during the middle of the hot day scrubbing off graffiti I think is just what the doctor ordered.

That can be done either by the Queensland Police Service referring them to a community based organisation, like a PCYC, or the council can undertake it if they so wish, and we have put aside a small amount of money to help the councils do that. But it is a wonderful initiative, and it has to send the message that it is something we are serious about. It is public property and it deserves to be protected.

**CHAIR:** Minister, can you outline the changes the government has made to the LGGSP flood subsidy?

**Mr CRISAFULLI:** Mr Chairman, thank you very much for the question. It is going to be part of that streamlined approach where with the three programs the applications will be rolled into one. Therefore, I am confident that we are going to get good value for money. I mentioned before about how important responding to those floods are. This gives the council every opportunity to put forward a project that suits them most. We have unashamedly looked at helping councils determine what that project is.

It would be wrong of me not to acknowledge the community of Gympie—I have made quite a few visits there with the local member David Gibson. Gympie is a town that is built on a flood plain and it has had its share of floods. It is the sort of community that just picks itself up and goes about its business. But there are businesses in Gympie that have been flooded five times in two years and they have simply reached the end of their resolve, and you can see that in the eyes of the people when you are there. To the great credit of the mayor, he has embarked on a study to find out what type of infrastructure is needed to help provide a level of immunity to that town. You are not going to stop Gympie from flooding, but it is about trying to make sure that that repeated hit after hit after hit does not occur, because if you can get rid of the small ones it is one less time that your business is closed and that you have to clean up from. That is why we were delighted to make a contribution in that regard to help fund that flood study. I am confident that there will be a number of communities that put forward those sorts of proposals.

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

**Mr SHORTEN:** I refer to page 4, dot point 6 of the SDS where the government is managing complaints regarding councillors through a robust, timely and efficient process including collaboration with the remuneration tribunal and the regional conduct review panels. Can you advise the committee

if there have been many complaints in relation to councillors and is the process sufficient to meet the needs of local government?

**Mr CRISAFULLI:** Thank you for the opportunity to answer the question. It probably would not surprise any committee members that the number of complaints against councillors this financial year is about half of what it was last financial year. The reason why is that last financial year there was an election and whenever there is an election it always brings out—

**CHAIR:** It brings out the worst in people.

**Mr CRISAFULLI:** Yes, it does. It brings out the worst in people, Mr Chairman. That is very true. So the number of complaints against councillors are less than half what they were in the previous financial year. Regardless of that, it is important that those who are elected to high office are held to account and that the public have an opportunity to put forward allegations against them.

The process—and you touched on this in your question, honourable member—is that in the first instance the complaint comes through to the council. The CEO then makes a decision. The complaint can fall into one of the following categories: frivolous or vexatious, in which case the CEO handles it. If it is about inappropriate conduct, it is referred to the mayor unless the complaint is about the mayor or the deputy mayor, in which case it is referred to the department's CEO. If it is about misconduct, it goes to the department's CEO. Official misconduct goes to the Crime and Misconduct Commission. If it is about another matter, it is dealt with according to what that matter is. If it is lacking in substance, again it is handled by the council's CEO. So that is the process. It is important that the complaint is treated based on the merit of the complaint to make sure that either something is not swept under the carpet, most importantly, or, if it is something that does not have any base, it does not have that elected official put through the wringer for a long time.

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

**Mrs SCOTT:** I just wish to table a letter from the Premier of Queensland in regard to the upcoming referendum at the forthcoming federal election.

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

**Mr MULHERIN:** Minister, I refer to that letter that has just been tabled by the member for Woodridge, dated 4 March, from the Premier to the Prime Minister expressing the Queensland government's support for the referendum as it is currently worded. Why did the government change its mind after 4 March?

**Mr CRISAFULLI:** I thank the member for the question and say, like the Premier, I am an enthusiastic supporter of constitutionally recognised local government—an enthusiastic supporter. In the letter that the honourable member refers to we quite rightly retain that position. We sought advice on the question and the issue is—and we have clearly said this at every opportunity—there is a big caveat in the letter which says 'provided the state's authority is not undermined'. The problem with the question that is going to be proposed to the Australian people is that, as with most things we have seen in the last five years, it has been rushed, it has been poorly planned, it has been ill thought out and, as a result, it risks the success of this getting up.

If you are asking me whether or not I support the ability for Canberra to directly fund a local council, the answer is yes. I want local governments to be able to get their funding source from wherever they can. But if the question is 'Should that funding come with strings attached?', I am scared to my knees about it. The absurdity with the way that question is worded is that it opens the door not just for direct funding but for direct control. I have seen the circus that is Canberra. It barely controls itself. The last thing we want is for it to be controlling our councils. We sought advice on the question that is there. Other states have sought advice on the question that is there. The advice we have clearly shows that there is a prospect that it opens up the ability for Canberra not just to directly fund but to control.

As we did not want to be spoilers—we did not want to just say, 'Well this means no'—we then went to Canberra and said, 'Our advice says this. All you need to do is add this paragraph and it will remove that doubt and local government can continue to be constituted as a body under the state and it can get its funding directly from Canberra.' Because of the way that this was rushed, because of the fact that it was in a shambolic state, because of the fact that, unlike any referendum that ever goes forward, there was not 12 months given to build the case, it was too late and as a result it jeopardises the very important issue, which is constitutional recognition and direct funding.

Here is the catch: what we have asked to be added, whether or not you are a supporter of constitutional recognition of local government or whether or not you are a vehement critic of

constitutional recognition of local government, what we propose to add would strengthen and put beyond any doubt control from Canberra, and surely that is what we all wanted. Surely what we wanted was to give this every chance of success. Instead what we have is a question that has been absolutely policy on the run and I fear, after unsuccessful referendums in 1974 and 1988, this could be three strikes and you're out. Mr Chairman, you would know better than anyone, it is an important thing for local government and so is the ability not to be dictated to from a land far, far away.

**Mr MULHERIN:** So the Liberal Party is running true to form. They will do it over again. I note that the Queensland President of the Local Government Association and LNP councillor, Councillor Margaret de Wit, described your sudden change of heart on the issue as 'disappointing and bemusing'. Have you formally discussed this position with the LGAQ and what did they tell you?

**Mr CRISAFULLI:** I thank the honourable member for the question. The answer is of course I have discussed it with the LGAQ. I have even spoken directly to the president about the legal advice. We have a different view with the way that we deal with local government. We are not the government that has had the Partners in Government Agreement ripped up. We are not the government that put half the councils to sword overnight. We are not the government that forces local government to do everything. We want to work with local councils. So of course I have spoken with the president. Their advice says that they do not believe there is an issue; our advice says that we do. But the one thing we all agree on is surely you want to give this every chance to succeed.

What I say is, if there was a glimmer of doubt—and our advice clearly shows that there is—wouldn't you want to put that beyond doubt for two reasons: one is you do not want your councils controlled by Canberra but the second is you want to give this every chance to get up. The fact is that it has been rushed, done in a heartbeat. We still do not even know if there is going to be a referendum because it depends upon when the Prime Minister calls the election. Is it going to be in August or September? The whole thing has been a mess and unfortunately everything we have seen has been a mess. When you rush things what happens is that you end up putting things in people's roofs that burn. When you rush things you end up building buildings that cost twice as much as they should. That is the problem. If things would have been thought out cleverly, if a case could have been built—

**Mr MULHERIN:** Like you rushed into sacking public servants and unemployment going to six per cent and consumer confidence the lowest of any state in Australia.

**Mr CRISAFULLI:** If we could have mounted a proper case, we would have been in a much stronger position—a similarly strong position as those former directors of the racing board who were given lots of money.

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

**Mr SHORTEN:** Minister, I refer to page 3 dot point 4 of the SDS where the government is monitoring local government performance and corporate governance to determine appropriate capacity building and intervention strategies. How is local government performance going and what improvements would you like to see in the forthcoming financial year?

**Mr CRISAFULLI:** I truly thank the honourable member for the question. I probably should answer it in two parts. The first is to talk about what I see is an important role for us as the Department of Local Government, Community Recovery and Resilience—and that is to deliver the capacity-building program. I mentioned earlier about the fact that we have turned around the grants in record time. It would be wrong of me not to acknowledge the work of the staff who have put in a tremendous amount of work to make that occur, and I take this opportunity to do so. The other element is to make sure that when those councils are looking at delivering those programs, when they are looking at delivering their training and those sorts of things, they have the capability to do it. We have two components, both for the Indigenous councils and the non-Indigenous councils, to help in that capacity-building front.

The other one though of course is the regional round table. This in my mind is going to be a huge step forward for councils. Councils need to know that they have a friend in government. If there are issues that are bogging them down and if they cannot break down the barriers, they need to know that we will assist them. At the end of the day we all serve the same people—one level of government calls them ratepayers and one level of government calls them taxpayers, but the same people just call themselves everyday people and they want to get good value for money for the rates they pay and for the tax they pay. We have to empower local governments to do that and I think that has been the hallmark of what we have seen in the changing approach.

**CHAIR:** Thank you, Minister. We are going to appeal against the light. The time allocated for consideration of the proposed expenditure for the Minister for Local Government, Community Recovery and Resilience has now expired. Minister, on behalf of the committee, I thank you and your advisers for your attendance. I remind all visitors that the draft of the *Hansard* transcript will be published on the parliamentary website usually within two hours of completion of the portfolio hearing. I remind you that your answers to questions taken on notice at today's hearing are to be provided to the research director by 5 pm on Friday, 26 July 2013.

The committee has concluded its examination of the matters referred to it by the parliament. On behalf of the committee, I thank officers of the Parliamentary Service for their assistance at today's hearing. I declare the Transport, Housing and Local Government Committee estimates hearing closed.

**Committee adjourned at 6.30 pm**