

FRIDAY, 28 AUGUST 2015

ESTIMATES—UTILITIES, SCIENCE AND INNOVATION COMMITTEE—MAIN ROADS, ROAD SAFETY, PORTS, ENERGY AND WATER SUPPLY

Estimate Committee Members

Mr SR King (Chair)
Mr DJ Brown
Mr JN Costigan
Mr DR Last
Mr R Molhoek
Mr CG Whiting

Members in Attendance

Mr AC Powell
Ms FS Simpson
Mr SA Emerson
Mr TL Mander
Dr JJ McVeigh

In Attendance

Hon. MC Bailey, Minister for Main Roads, Road Safety and Ports and Minister for Energy and
Water Supply

Ms D Spinks, Chief of Staff

Department of Energy and Water

Professor P Simshauser, Director-General

Mr K Sedgwick, Deputy Director-General

Mr B Barr, Acting Deputy Director-General, Energy

Energex Limited

Mr T Effeney, Chief Executive Officer

Ergon Energy Corporation Limited

Mr I McLeod, Chief Executive

Seqwater

Mr P Dennis, Chief Executive Officer

Department of Transport and Main Roads

Mr N Scales, Director-General

Committee met at 9.00 am



CHAIR: Good morning. I declare this hearing of the estimates for the Utilities, Science and Innovation Committee open. I acknowledge the traditional owners of the land on which this parliament stands. I am Shane King, the member for Kallangur and chair of the committee. Rob Molhoek, the

member for Southport, is the deputy chair. The other committee members are Don Brown, Chris Whiting, Jason Costigan and Dale Last. The committee has resolved that the following non-committee members be given leave to attend to ask questions during the hearing: Lawrence Springborg, Leader of the Opposition; John-Paul Langbroek, Deputy Leader of the Opposition; Jeff Seeney, member for Callide; Fiona Simpson, member for Maroochydore; Tim Nicholls, member for Clayfield; Andrew Powell, member for Glass House; John McVeigh, member for Toowoomba South; Tim Mander, member for Everton; and Scott Emerson, member for Indooroopilly.

We are here today to examine the proposed expenditure in the Appropriation Bill 2015 for the portfolios of the Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply and the Minister for Housing and Public Works and Minister for Science and Innovation. The committee will examine the portfolio areas in the order outlined in our published program. The proceedings today are lawful proceedings subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208.

In relation to media coverage of today's hearing, the committee has resolved that the whole of the proceedings of the committee may be broadcast in line with the conditions for broadcasters and guidelines for camera operators, copies of which are available from one of the parliamentary attendants in the room. Today's hearing is also being broadcast live on the parliament's website. I offer a warm welcome to all those tuning in.

I would like to talk briefly about the rules for questioning at today's hearing. Committee members may put questions to the minister, director-general and chief executive officers. The minister, director-general or CEO may refer questions to advisers. We expect all those appearing today to provide full and honest answers to our questions. Anyone who is unwilling or unable to provide an answer should be prepared to state the reason. I remind members, however, that departmental officials are not here today to give opinions on the merits or otherwise of the policies of the government. That is the role of the minister.

It is also important that questions and answers remain relevant and succinct. I intend to guide proceedings today so that the relevant issues can be explored without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. 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. The deadline for any questions taken on notice and clarifying materials is 12 noon Tuesday, 1 September 2015. Before we commence, I ask that mobile phones be either switched off or turned to silent.

The first item for consideration is the proposed expenditure contained in the Appropriation Bill 2015 for the portfolio areas of the Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply. We will examine the minister's portfolio areas of Energy and Water Supply between 9 am and 11 am. Following a short break, we will then examine the minister's portfolio areas of Main Roads, Road Safety and Ports between 11.30 am and 1.30 pm. On behalf of the committee, I welcome the minister, the Hon. Mark Bailey, the director-general, officers of the department and entities, and members of the public to the hearing. For the benefit of Hansard, I ask advisers to identify themselves the first time they answer a question referred to them by a minister, directors-general or CEOs.

I now declare the proposed expenditure for the Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you like to make a brief opening statement? The committee has resolved that you may make an opening statement of up to five minutes.

Mr BAILEY: I would, thank you very much, Chair. I would like to start by acknowledging that we gather on the lands of Indigenous peoples, the Turrbal and the Jagera people. I offer my respects to the elders, past and present, and their culture of 60,000 years upon this land. Good morning to all members of the committee, department, government owned corporations and statutory authority staff. I look forward to answering questions across my portfolio responsibilities. The Palaszczuk government values the importance of these estimates hearings as they mark a return to openness, accountability and transparency in government. Since the election we have been implementing our commitments to create jobs, restore front-line services, deliver our election priorities and rebuild integrity and accountability in government.

Our first budget is responsible, fair and balanced. Most importantly, it delivers on our more than 50 policies that we took to Queenslanders at the last election. Queensland voters sent a clear message that they do not want their assets sold, and our government is honouring that commitment and delivering a budget that charts a course to surplus without asset sales. Our budget invests more than \$18.8 billion over the next four years to deliver a large program of road and infrastructure works to grow Queensland's economy and create nearly 15,000 jobs. This commitment represents a \$757 million increase over the forwards above the Newman government QTRIP program which was cut by \$200 million three years in a row. An extra \$60 million over two years is for the 50-50 state-local government TIDS program brought forward to start now. This exceeds our election commitment by one year.

We are planning for the 2018 Commonwealth Games and have announced a \$160 million upgrade for Gold Coast roads and \$40 million for the new western roads upgrade to widen and seal state roads and to help drought affected communities in the west and north-west of our state. As a focus on freight productivity, we will replace the Vines Creek bridges in Mackay, build intersection upgrades in Roma to allow type 2 road trains access to the stock saleyards and on the Warrego to avoid the need for truckies to take a 180-kilometre detour through Augathella to travel between Charleville and Morven. A \$55 million upgrade to the berth 4 Townsville port will boost export capacity.

As Queensland's first Minister for Road Safety, I am determined to curb the state's road toll and hospitalisations. After extensive stakeholder engagement and working with the police minister, we launched a road safety strategy and action plan earlier this week. Over the next two years the Palaszczuk government is investing more than \$500 million on targeted road safety programs to reduce road trauma. This investment includes Safer Roads Sooner, treating emerging crash locations, targeted motorway treatments, new flashing school zone signs, motorcycle licensing reforms and double demerit points for repeated mobile phone use while driving.

In Energy and Water it is my focus to ensure these key industries are adapting to their rapidly and changing environments. Labor understands spiralling energy and water bills over the last three years put enormous pressure on Queenslanders. I am pleased to report that already the average electricity bill is lower than last year after a 43 per cent rise over the last three years, while state bulk water bills are lower than forecast in 2013. This year a typical small business will see a power bill drop of between \$73 and \$135, and farmers and irrigators will also see stabilised electricity prices with a zero per cent rise after 10 per cent rises three years in a row under the LNP.

With more than 1.4 gigawatts of solar panels installed across more than 400,000 rooftops, Queensland leads the world in domestic solar PV adoption rates. We are not just the Sunshine State; we are the solar state. That is why we are committed to one million solar rooftops by 2020 to grow Queensland's renewable energy sector with more investment, jobs and to act on climate change. We are working with renewable energy agencies to deliver a reverse auction for at least 40 megawatts of renewable energy, and Ergon have announced an expression of interest for 150 megawatts of renewable energy sourced from Queensland. The government supports absolutely establishing a Queensland based large-scale renewable energy industry. New industrial battery technology is being rolled out by Ergon to cut network costs, and we are partnering with Californian company Sunverge to trial domestic batteries in regional Queensland.

Earlier this year the Palaszczuk government announced our plan to work towards the introduction of a biofuels mandate to grow Queensland's biofuels and biomanufacturing industry. In June I released a biofuels discussion paper and held nine public forums. I will continue to work with business, industry and consumers to implement the mandate.

As Minister for Ports, I am also focused on protecting the Great Barrier Reef to ensure it remains off the in danger list. When we came to government, debt had blown out by \$13 billion under the previous administration, unemployment was rising and confidence had stalled. Good governance had long since been abandoned. This budget has begun to turn this around, restore confidence and return Queensland to 21st century values.

CHAIR: Thank you, Minister. I call the member for Glass House.

Mr POWELL: Thank you, Chair. Before I direct a question to the minister, can I confirm, correct with your pecuniary interest register, you are still a member of the ETU, Mr Chair?

CHAIR: Yes, I am.

Mr POWELL: And no phone call from Peter Simpson this morning on how today's proceedings should operate?

CHAIR: There is a bit of an imputation there. I will answer the question, though. Certainly not.

Mr POWELL: So no riding orders from the head of the ETU?

Mr BROWN: I raise a point of order, Mr Chair.

CHAIR: Yes, I think you are out of line.

Mr POWELL: I am just checking to make sure we are not going to have an ETU protection racket here today.

CHAIR: I ask you to withdraw. I find that offensive.

Mr POWELL: I withdraw. Minister, page 2 of the SDS refers to establishing and maintaining 'a policy and regulatory environment for the energy and water sectors, and ensuring integrity, accountability and consultation underpin everything we do'. Can I confirm that since resigning from the ETU you have not joined any other union?

Mr BAILEY: I have not until this point. As a strong supporter of trade unions I intend to, but not a union within my portfolio areas that is a major union.

Mr POWELL: Thank you. My next question I would like to direct to the director-general. Congratulations on your appointment, Director-General. It relates again to page 2 of the SDS and the department's focus on providing the right policy solutions for Queensland customers. As a result of the Australian Energy Regulator's preliminary determinations for network businesses Ergon and Energex, can Queensland customers expect to see a flattening in network prices over the next five years? I acknowledge that it is a preliminary determination only at this stage.

Prof. Simshauser: Thanks for the question. The process being undertaken by the Australian Energy Regulator has some way to go. As you know, there is a draft determination out. The organisations are responding to those and I have no line of sight of how that will play out. That is ultimately in the hands of the Australian Energy Regulator.

Mr POWELL: If the decision as put in the preliminary determination was to flow through, that would see a flattening of prices over the next five years?

Prof. Simshauser: It would certainly—

Mr BROWN: Mr Chair, I raise a point of order. Under standing order 115, the question is hypothetical.

CHAIR: Yes.

Mr POWELL: Let me put it this way. Director-General, network prices make up more than 50 per cent of Queensland customers' electricity bills; is that correct?

Prof. Simshauser: It is of that order.

Mr POWELL: Of that order—50 to 55 per cent? Through you, Mr Chair, I request that the CEOs of Energex and Ergon move forward to answer some questions.

Prof. Simshauser: Chair, can I add something to that? The network component of electricity bills really does depend on the customer segment. If you are talking about a household electricity bill, depending on how they use their electricity supply it would be somewhere between the 45 to 55 per cent range. If you were starting to move up into low-voltage, small industrial customers that component will vary according to how much of the network they use. As you get into heavy industrial, it can be quite a small component of the overall bill. It is very hard to give a definitive answer on where—

Mr POWELL: But basically for the mum-and-dad Queenslander, it is around the 45 or 50 per cent mark?

Prof. Simshauser: Yes.

Mr POWELL: Thank you. Mr McLeod, Ergon has submitted a new proposal to the AER for the 2015-20 regulatory period before the final determination is released. In this submission, did Ergon propose an annual revenue requirement above that determined in the AER's preliminary decision?

Mr McLeod: Ergon put in a submission originally for funding. The AER made a determination which was lower than what Ergon requested. The AER made a mistake in their draft determination of \$600 million, which they have confirmed with Ergon via writing. They were not to reopen the submission. They preferred to actually deal with it through the revised proposals. We have submitted a revised

proposal which takes into account that mistake and also deals with a number of issues that we see the AER has not effectively dealt with. We believe our submission will deliver and is to deliver a safe and reliable network to the minimum service standards. We have consulted with our customers quite extensively, and that submission also meets those commitments to the customers. But the AER has certainly made a mistake, and through that process of resubmission that mistake will be dealt with.

Mr POWELL: But you have also alluded, Mr McLeod, to the fact that you are seeking a higher rate of return on the cost of capital based on those discussions with the customers.

Mr McLeod: In terms of the AER's determination, our return on capital will be lower in the next period than it is in this current period or the last period, which was 9.72 per cent. We put in a placeholder based on the AER's rules in terms of what those guidelines look like and our determination of those guidelines. That placeholder in terms of a figure is in our initial submission. A revised figure was put in our revised submission. It is certainly higher than what the AER has for their determination, and we believe they have gone outside their own guidelines in that case.

Mr POWELL: Mr Effeney, can I ask the same question of you. My understanding is that Energex has also provided an updated submission to the AER for the 2015-20 regulatory period before the final determination. Does this submission also propose an annual revenue requirement above that identified in the AER's preliminary determination?

Mr Effeney: Similar to the response from Ian McLeod, we have put in a revised regulatory proposal. Really, the only area of any significance relates to the weighted average cost of capital. We believe, as per the Ergon comments, that the AER has not interpreted the rules here correctly. It has made an error in relation to the allowances around the weighted average cost of capital. We, as in all other distributors around Australia at the moment, are just seeking that matter to be resolved, understanding of course that there have been major rule changes since the last time we went through the determination so this is the first time this set of rules has been applied through the determinations. There is some significant degree of uncertainty as to the application of the rules set by the AEMC and their interpretation by the AER, and that matter does need to be resolved. You would be aware that it is currently before the Australian Competition Tribunal in New South Wales. So while these matters are, if you like, still in play, Energex is in a position that it does not agree with the AER's position on this matter and has put in a higher WACC than was allowed for in the interim determination.

Mr POWELL: Just for the benefit of those listening, WACC is weighted average cost of capital.

Mr Effeney: Yes, weighted average cost of capital.

Mr POWELL: Thank you. Director-General, you have just heard from both CEOs that their businesses have requested higher revenues or WACCs for the 2015-20 regulatory period. Would these higher revenues impact on power prices? If these businesses are allowed to charge more, wouldn't it increase network costs that flow through to customers?

Prof. Simshauser: So you are asking if the Australian Energy Regulator—

Mr POWELL: Accepts that—I think Mr McLeod is suggesting they made a mistake.

Mr BROWN: Point of order.

CHAIR: Can you rephrase the question, please? It is hypothetical—'could', 'would'.

Mr POWELL: It is not hypothetical. It is talking about a preliminary determination that may be influenced by submissions made by both Energex and Ergon that could result in a final determination. I think it is worthwhile having a discussion around what the impacts of their submissions would be on that final determination.

CHAIR: Yes, and I ask you to rephrase the question.

Mr POWELL: Okay, so the question is: if the AER were to agree to the proposals being put forward by Energex and Ergon, that would increase—

Mr BROWN: Point of order.

CHAIR: It is still hypothetical.

Mr POWELL: Are we going to debate semantics, Mr Chair, around a determination that has a preliminary and a final process whereby submissions are made? What I am trying to elicit is the impact on the preliminary determination if these submissions are accepted?

CHAIR: And all I have asked is that you rephrase the question so it is not hypothetical.

Mr POWELL: Director-General, if these—

Mr BROWN: Point of order.

Mr POWELL: Sorry, let me correct that before I again have an interjection from the chair. Director-General, Ergon and Energex submissions would lead to higher network costs. True or false?

Mr BROWN: Point of order. It is hypothetical again.

CHAIR: I will allow this question. I will give you some latitude.

Mr POWELL: Thank you.

Prof. Simshauser: Can I preface my answer by saying that, until the Australian Energy Regulator has made a determination, we are speculating on what the outcome will be. But if there is a revision and it deviates from the current draft then there will be a change in the structure of electricity prices.

Mr POWELL: And that change will mean an increase?

Prof. Simshauser: Depending on where the revenues go. It will follow the determination.

Mr POWELL: So if the revenues go down, prices go down. If the revenues go up, prices go up.

Mr BROWN: Point of order.

CHAIR: Once again, it is hypothetical. Do you have another line of questioning?

Mr POWELL: Thank you, Mr Chair. An increase in revenue would also mean a greater return for shareholders; correct?

Prof. Simshauser: An increase in revenue would mean an increase—on the proviso that there is no change in the cost structure, so holding the cost structure constant.

Mr POWELL: Who is the primary shareholder of Ergon and Energex?

Prof. Simshauser: The state.

Mr POWELL: And the state has requested 100 per cent dividend return; is that correct?

Prof. Simshauser: The dividend policies of the organisations are 100 per cent of NPAT.

Mr POWELL: So if increased revenue comes in, prices go up, increased returns to the government as the shareholder; is that correct?

Mr BROWN: Point of order. Hypothetical.

Mr POWELL: Mr Chair, can I ask the question to the minister?

Mr BAILEY: Can I just seek a ruling, Mr Chair. The standing orders are very clear about hypothetical questions. If it is a matter of government policy then the member is very welcome to ask me, as the responsible minister, but I think this haranguing of the director-general is unacceptable.

CHAIR: Thank you, Minister. I was seeing where the line of questioning was going, and it continues to be hypothetical.

Mr MOLHOEK: Point of order, Mr Chair. We have just heard from the director-general that the department is actually speculating about this issue and is obviously looking at contingencies. We have been told we are not allowed to ask hypothetical questions, yet the director-general himself has just made the point that they are speculating and looking at that as a potential issue.

Mr WHITING: What is the point of order?

CHAIR: What is your point of order, member for Southport?

Mr MOLHOEK: You are ruling out hypotheticals, yet we have just heard from the director-general that they are doing hypotheticals of their own.

CHAIR: The questions that you are asking all contain 'if', 'could' or 'would'. They are hypothetical. I will rule the question out of order. I call the member for Glass House.

Mr POWELL: Thank you, Mr Chair.

Prof. Simshauser: Can I make a point. I did not say any hypotheticals.

Mr MOLHOEK: Mr Chair, through you, the exact words of the director-general were 'we are speculating' about the possibility—if we want to go back to *Hansard* to check. If that is not a hypothetical, I do not know what it is.

Prof. Simshauser: All I meant was that we—

Mr POWELL: It is all right, Mr Chair. I will continue on.

CHAIR: Can we continue with the questions.

Mr POWELL: I have a question to the minister. Have you directed these companies regarding their proposals to the AER, or have you written to the AER arguing the case for higher returns for these businesses, as former treasurer Andrew Fraser did in 2009?

Mr BAILEY: I can confirm that I have not. What I am aware of is that the submissions to the AER under the previous government from both Ergon and Energex, which I have in front of me, were actually for submissions for more than a billion dollars higher than the adjustments that are put in. For you to be suggesting in some shape or form that this is untoward is simply inaccurate. This is a normal part of the process of the independent umpire, being the Energy Regulator. They have brought down a draft determination, which has seen the end of 43 per cent price increases over the last three years under your government—of which you were a minister and partly responsible for—to see a reduction in bills of about 0.5 per cent on average across Queensland.

What we are seeing is the normal part of their process of asking for submissions from stakeholders, and Ergon and Energex have made those submissions, just as they did under your government. Their adjusted submissions are in fact asking for a billion dollars less than under your government. In fact one of the submissions—Ergon's submission—is about a calculation error. They have a commercial charter and it is their right to make a submission under the process of the independent umpire, the regulator, but in the end the decision will be by the independent regulator. They have made it very clear that in the price path coming for the next five years they are slashing the revenues to ensure better outcomes for consumers.

Mr POWELL: Correct.

Mr BAILEY: So their final decision will be made at the end of October. I am confident that the regulator, whom I have had discussions with about this, has a clear priority in terms of better outcomes for consumers in this state over the next five years. They will make a final determination as part of that process, but the energy companies have a right to make those submissions. Particularly when we are talking about something like a calculation error, of course they have a responsibility to make a submission.

Mr POWELL: Thank you, Minister. Can I just pick up on a comment you made on the increase over the last three years. You also referred to the fact that it is the independent Australian Energy Regulator that sets those prices, so the increases were actually over the five-year period. When were the last network prices set?

Mr BAILEY: What the member is clearly trying to do here before the committee is to muddy the waters about his record as the minister.

Mr POWELL: No, I am trying to correct your false statements.

Mr BAILEY: You have asked the question.

CHAIR: Let him answer the question, member for Glass House.

Mr POWELL: When was the last—

CHAIR: Member for Glass House, order! Allow the minister to answer the question.

Mr BAILEY: I will answer the question. What we see is that the previous government did not advocate for consumers over three years. They saw the price path increase in inordinate amounts—a 22 per cent increase in fact I think in the last year—

Mr POWELL: Based on whose ruling, Minister?

Mr BAILEY: Under your government, your record on electricity prices—

Mr POWELL: Based on whose ruling?

CHAIR: Member for Glass House, I will ask you to cease interjecting.

Mr BAILEY: The record of the previous LNP government on electricity prices in this state is deplorable. You are trying to get away from that and I understand that. I would be ashamed if I were you as well.

Mr POWELL: And you are trying to avoid the fact—

CHAIR: Member for Glass House.

Mr BAILEY: It is clear that my side of politics has been advocating for consumers over the last three years. We are seeing now the regulator making those sorts of priorities, and that is something you should have done in government over the last three years instead of ignoring Queensland's electricity consumers.

CHAIR: Thank you, Minister.

Mr POWELL: I direct the next question to the director-general. Director-General, has the department done any modelling on Ergon and Energex's proposals regarding the impact on power prices, and what does it show?

Prof. Simshauser: Thanks for the question. Certainly since I have arrived, I am unaware of any modelling that has been undertaken by the department on Energex or Ergon network prices. If you would not mind, Chair, I will query my deputy to cover off on the period before I arrived at the department, if that is appropriate.

CHAIR: Certainly.

Mr Barr: There has been no modelling done in the department on the revised proposals.

Mr POWELL: Can I ask Mr McLeod and Mr Effeney if there has been any modelling done in either of their organisations based on their AER submissions?

Mr McLeod: We modelled our original submission to the AER, which had CPI minus 2.3 per cent over five years based on the submission. Since then we have reduced our totex requirements, so we should see that figure actually go down. The cost of WACC has also gone down, so we project stable and flat network prices for the next five years.

Mr POWELL: Have you done similar modelling on your revised submission?

Mr McLeod: We will have done similar modelling on our revised submission and we will have those figures, yes.

Mr POWELL: Thank you. Mr Effeney?

Mr Effeney: Energex has modelled both its original submission, which showed stable and decreasing prices across the five-year on average—as our revised submission requests lower revenues, then similarly you could expect to see real reductions to customers in network pricing across this period over the five years.

Mr POWELL: And on the revised submission?

Mr Effeney: As I have said, that modelling is also done on the revised submission. As the revenues in the revised submission are less than the revenues from the original submission, then the prices across the period on average are still representing real reductions for customers.

Mr POWELL: So less—

CHAIR: Member for Glass House, can you wind up this line of questioning? We have to move across to government questions. If you have another quick question, I will allow it.

Mr POWELL: No.

CHAIR: I move now to government questions. I call the member for Murrumba.

Mr WHITING: Minister, I refer to SDS page 4, to the service area highlights and the proposed renewable energy auction. Why is the government spending money on a renewable energy auction and what are the expected benefits?

Mr BAILEY: I thank the member for his question. The Palaszczuk government is absolutely committed to renewable energy and particularly to establishing a large scale renewable energy industry in Queensland. We, of course, do lead the world in terms of the adoption rate of domestic solar PV. In terms of large scale renewables, we have seen an active disinterest over the last three years and 1,300 renewable energy jobs have been lost in the industry over the last three years. We are determined to make sure that this state prospers from being part of the transition to clean energy not just here in this nation, but across the world. As part of that, we have an election commitment to have a reverse auction to source 40 megawatts of renewable energy. We are proceeding along that path.

We are very keen to work with other renewable energy agencies that have had very limited opportunities over the last three years in Queensland, such as ARENA, to maximise those opportunities. Recently we saw the ACT had two reverse auction processes which were very successful. The benefit of this is not only a transformation to clean energy but also the establishment of the skill base, a workforce, investment and, importantly, jobs in Queensland. We have to grow jobs in Queensland in the emerging industries, and certainly renewable energy is one of the big emerging industries, and we are keen to be part of that.

We have seen in other states where there has been leadership in terms of renewable energy, that states like South Australia, for instance, is now sourcing 40 per cent of their power from renewable energy sources. They have attracted \$5½ billion worth of investment. That has created a lot of jobs and yet here in Queensland we have gone backwards for the last three years.

We are very keen to progress our commitment to renewable energy and the growth of that new large scale industry in Queensland. This reverse auction will be part of that process of establishing a new base to grow this industry, to grow jobs, to ensure that transition to renewable energy and, importantly, to act on climate change. This is part of the whole agenda about governments being serious about acting on climate change and not just talking the talk, which we see, unfortunately, at a federal level. We have to be active in terms of our policy and making sure we are actually moving away from carbon-emitting industries into clean energy industries.

Mr WHITING: I also refer in the SDS at page 4 to the service area highlights and the reference to localised solutions. Along with all the excitement about renewable energy, can you tell us about batteries and the role they can play? Specifically can you tell us more about the funding for the grid utility support system, GUSS, battery trials?

Mr BAILEY: I thank the honourable member for the question. At the Department of Energy and Water Supply stall at the Ekka this year I talked to our staff there and said, 'What are people talking about? What are they most interested in?' and they said that everyone is talking about batteries. A very important part of public discourse is that people in the community understand the great opportunities that come with battery technology in terms of power and energy. In Queensland we are keen to maximise those opportunities in terms of our power system.

I am very pleased to inform the committee that Ergon Energy has sourced 20 industrial size batteries. They are called grid utility support systems. I was very pleased to be in Maryborough recently with the new member for Maryborough, Bruce Saunders, inspecting these batteries at the Ergon depot. They were testing them before they were sent out to regional Queensland to supplement our electricity system. These batteries are installed on SWER lines, which are often in remote and rural parts of the network. They defer augmentation of the network by up to 35 per cent on traditional methods. I can inform the committee that we have 17 confirmed sites. Two units are going into Callide—and I am sure the member for Callide will be ecstatic about that—between Rockhampton and Bundaberg. We have five units going into Gregory. There are also three units going into the Mount Isa electorate, around Burketown and Doomadgee. We also have some going west of Mackay and some out near Cunnamulla as well.

The battery technology is cutting edge. I congratulate Ergon for being involved in this space. I would actually ask Ian McLeod from Ergon to come to the table to inform the committee a little more about the adoption of battery technology by Ergon.

Mr McLeod: Thank you, Minister. Ergon has a very large geographic area; it represents 44 per cent of the national electricity market, but has only seven per cent of the customers. We have very large distances to cover, and over large distances there are all sorts of problems with voltage and current. Because of that make-up, Ergon Energy is ideal for the integration of battery technologies. We have been working on the grid utility support system for a number of years. The technology is a 100 kilowatt hour battery and we put it on our SWER networks. When we compare it to the traditional technologies of building new lines, three phase et cetera, it is significantly cheaper. So commercially, it stacks up by itself. It does not have any cross-subsidies whatsoever. The time frame for deployment is very short. We do not have to get easements; we do not have to negotiate the removal of trees or the impact on the environment. We just need a pad to put the batteries down on. These are becoming important because people are demanding more from the system in terms of air-conditioning, enjoyment of lifestyle, pumps—all those sorts of things. The traditional SWER single wire network, which is one steel wire, cannot handle that. It basically starts to become a charging network. The battery technology enables us to deliver a higher level of service, greater reliability and greater quality of supply at a much lower cost. Those costs across the network are spread across all customers and, therefore, all customers across Ergon's patch benefit.

We are also running two other trials, one up in Townsville, with a court with 10 different battery installations in there. There we are using those battery installations to take peak off the grid where otherwise we would have to invest into the actual network itself to augment the grid. We have announced a project called Sunshine which involves 33 batteries using Sunverge. It is actually a fixed cost being charged to our customers for the batteries and PVs. So it enables them to store energy from their PVs while still remaining connected to the grid. It gives the grid control of the network where there is a constraint. In terms of the energy market, it enables us to aggregate those batteries and trade into the market to reduce the power of wholesale energy and obviously the customer benefits that go with it. Certainly Ergon is considered a leader around the world for integration of battery technologies and we have a lot of people interested in our patch.

Mr WHITING: I refer to the SDS at page 4, the service area highlights and the reference to localised solutions. Batteries are obviously an important part of electric vehicles. Can the minister let us know what is being done to promote the uptake of electric vehicles?

Mr BAILEY: I thank the honourable member for his question. Electric vehicles are a very interesting area of development. I am very happy to report that Ergon are also quite active in this space where we have seen eight electric vehicles join the regional electricity distributor's fleet this year. That is part of getting the infrastructure in place to support them. They are also finalising a lease offer to employees that could see up to 100 additional EVs being taken up in the future. This is an important part of the decarbonisation of transport.

I note that infrastructure is starting to emerge in terms of electric vehicles in other countries and in this country. I think it is a very exciting development. Of course, as batteries develop in terms of domestic installations and become more economic every year, electric vehicles become more and more attractive for people as well. I note that Tesla are also talking to commercial car parks in Melbourne in terms of installing infrastructure. There is a lot of movement in this area. It is great to see Ergon again moving into this space in terms of supporting what is an emerging technology. There is no doubt that in the future we will see a lot more electric vehicles on Queensland roads and across the nation.

Mr WHITING: Thank you for that answer. I refer to the Department of Energy and Water Supply SDS pages 3 and 4. What is the government doing to give solar customers a fair price for their exported power? Do they deserve any payment, given the former government referred to them as 'latte sippers'?

Mr BAILEY: I thank the honourable member for his question. I think that last reference was, indeed, an unfortunate comment in the budget last year when we saw the member for Clayfield and then treasurer abuse solar PV adopters as being 'latte sippers and champagne drinkers'. I think that portrayed the hostility that the previous government had towards renewable energies, which was very unfortunate not just from an environmental point of view but also from an economic point of view in that we have lost 1,300 energy jobs in Queensland over the last three years.

The Palaszczuk government has released the terms of reference for our review into a fair price for solar. We recognise that the demand for solar and renewable energies is quite resilient in the marketplace as opposed to, say, four or five years ago when it was very much an emerging industry. That is demonstrated by the fact that our adoption rates are the best in the world. We have 28 per cent of Queensland households now with solar PV. Of course, we want to make sure that they are integrated into the network as best we can. We certainly would like to see them get a fair price for their solar. That is why we have a review into that to ensure that that is what they receive.

The upcoming review will look at a fair price based on financial and public benefits. It will also ensure that there are no unreasonable network costs for those without solar. That is an important part of the terms of reference that the committee might be interested to hear. This means that it will give regard to any additional costs that may be incurred for electricity customers from the implementation of the fair price. Additionally, the Productivity Commission is required to consider the perceptions of electricity customers about whether any cost to them resulting from the fair price is unreasonable.

The review will be held concurrently with our Queensland Productivity Commission's inquiry into electricity pricing. They will be separate, but related and coordinated. They will report back to government in 2016. The terms of reference are accessible on the website and available to anybody who wants to see them. Importantly, solar remains an important part of this equation. We are seeing with regard to the adoption of solar, there is a new wave starting to occur with these new solar power purchase agreements. The private sector is competing very hard to sign up people with zero up-front cost for solar if they sign up with that company for a period of time. It might be five years, seven years or 10 years. This will give a whole lot of people who do not have the capital to put solar on their rooftops the ability to start doing that. I think everybody here would have seen the ads from all sorts of private entities trying to compete and get in that marketplace.

As batteries continue to get more popular in terms of the economics of it and the economics continue to improve every year, I think we will see continued solar uptake as people are able to get 24 hours of use out of their solar rather than on average eight or nine hours. Obviously, the efficiency of that will be there as well. We are implementing our election commitment to have a review into a fair price for solar. It is part of our array of election commitments to renewable energies and solar because we are interested as a government in growing this industry, growing jobs in Queensland and leading that transformation, being in that space and making up for the lost opportunities that we have sadly seen in Queensland over the last three years.

Mr WHITING: Minister, I refer to page 3 of the SDS under 'service area highlights' and the reference to localised solutions that you have been discussing. Is the grid utility support system, GUSS, the same as Sunverge, or is that a different product?

Mr BAILEY: I thank the honourable member for his question. It is different, and I am very excited to report to the committee about a trial that is underway by the US company Sunverge, which has come to Brisbane and established an office here. Because we have such a high adoption rate, we are very attractive to them in terms of trialling battery technology. They are partnering with Arena, the Australian Renewable Energy Agency, and I was at their launch a month ago.

They are trialling 33 homes with combination of solar PV and batteries in three different locations in Queensland: Cannonvale—which I am sure the member for Whitsunday will be very interested in—Townsville and Toowoomba. They are very keen to see how their batteries perform in different climatic conditions. It will be a very interactive trial and a lot of the data will be done remotely. They will be monitoring the performance of the solar PV and batteries. Of course Toowoomba has quite a cool climate but Cannonvale and Townsville are a lot hotter. They are very keen to get data from that trial to feed into future decisions around investments and growing this industry.

It is a very, very exciting trial and it is one that we are very proud of. In fact, someone has suggested that it is Silicone Valley meets Fortitude Valley, which is where their office is. This is an emerging industry that the Palaszczuk government is keen to be involved with. It is very exciting to see US companies coming to collect data and invest in Queensland. They will no doubt expand their operations, and that means greater economic opportunities for Queensland and more jobs for Queenslanders.

CHAIR: I will now return to non-government questions.

Mr POWELL: Director-General, did the department direct the network government owned corporations to undertake any analysis of the impact of a 100 per cent dividend policy before the government implemented that decision?

Prof. Simshauser: I am certainly not aware of any work or any such instructions in my time as director-general. I will just check again with my deputy director-general.

Mr Barr: No, certainly not to my knowledge.

Mr POWELL: Director-General, to your knowledge are there any other ways for government owned corporations to fund infrastructure other than debt or equity?

Prof. Simshauser: To my knowledge, no.

Mr POWELL: If you are taking 100 per cent of the dividend, how do government owned corporations fund new infrastructure unless the government makes equity injections to allow those GOCs to do it or to increase debt?

Prof. Simshauser: In the construction of capital intensive industry balance sheets and the outcomes of their profit and loss statements, you would be aware that because they are so capital intensive—in fact, the electricity industry is among the most capital intensive industries in the world—when you look at the profit and loss statement, one of the things that really jumps out at you is very large depreciation charges to the profit statement. That of course is deducted before you then go on and start talking about dividends back to shareholders. When you look at the depreciation charges, they are a non-cash charge hitting that profit and loss statement, so sitting behind that in the cash flow statement is all the cash that relates to that depreciation. Provided the capital expenditure forecasts of the business are lower than those depreciation schedules, you would expect that they will be able to internally provide adequate cash reserves to fund capital expenditure going forward.

Mr POWELL: To put that simply, as long as the capital requirements for the forthcoming years are lower than the depreciation of that year and previous years, then you are right. If you are not, then you need an equity injection or to increase your debt; is that right?

Mr BROWN: Point of order. That is another hypothetical question. It is clear that the member for Glass House is, I suppose, trying to take advantage of the inexperience of the new DG. I suggest he rephrase the question.

CHAIR: Member for Glass House, could you rephrase the question.

Mr POWELL: Director-General, I note that you have come to your role with considerable private sector experience. Can you explain the importance of retained earnings as a business principle?

Prof. Simshauser: Thank you for the question. In the context of running businesses there are three sources of capital: retained earnings, equity and debt capital.

Mr BAILEY: Mr Chair, can I seek your ruling about what part of the budget this question is referring to?

Mr POWELL: Mr Chair, the director-general referred to the part himself: the cash flow statement in terms of depreciation. The director-general has answered the question.

Mr BAILEY: Further to my submission, I am just wondering what part of the budget paper and appropriation the member for Glass House is referring to.

Mr POWELL: Budget Paper No. 2, non-financial public sector.

CHAIR: Sorry, I missed that. You were talking over top of the minister.

Mr POWELL: Budget Paper No. 2, non-financial public sector. There is a complete section on it.

Mr BAILEY: Sorry, what page was that? It is a simple question. We are here to look at the budget and you cannot tell me what page it is.

Mr POWELL: If you do not want to refer to Budget Paper No. 2 and the whole entire non-financial public sector, the reference is page 3 of the SDS. This again relates to your interest in state owned energy entities.

CHAIR: Standing order 180(2) provides—

In respect of Government Owned Corporations and statutory authorities, a member may ask any question which the committee determines will assist it in its examination of the relevant Appropriation Bill or otherwise assist the committee to determine whether public funds are being efficiently spent or appropriate public guarantees are being provided.

Mr BAILEY: Just to follow that up, Mr Chair, the member for Glass House just referred to Budget Paper No. 2 and the SDS. They are separate documents. Can the member state to which page and document he is referring?

Mr POWELL: There are two references. The first reference was to page 3 of the SDS where it refers to your role as having an interest in state owned energy entities.

Mr BAILEY: Sorry, where on that page is that reference?

Mr POWELL: Are you serious, Minister? You are wanting to waste time—

Mr BAILEY: I am asking you what the reference is.

CHAIR: Could you please give your reference.

Mr POWELL: You are the minister responsible for public—

CHAIR: Member for Glass House, we are not here to debate, although it seems like we would all enjoy that. Please just refer to where in the SDS your question relates.

Mr POWELL: It states—

The Department of Energy and Water Supply (DEWS) is responsible for overseeing Queensland's energy and water industries to ensure these essential services are provided to Queensland consumers in a safe, efficient and reliable way. Our services are delivered through two main service areas: 'Energy' and 'Water Supply'.

Mr BAILEY: Thank you. That didn't hurt, did it?

Mr POWELL: Director-General, how does a 100 per cent dividend policy impact the network government owned corporations' ability to invest in infrastructure upgrades?

Prof. Simshauser: While the increased debt levels will increase the costs of the business, it will not have any impact on the transmission or distribution prices. They are obviously independently regulated by the Australian Energy Regulator. It also will not have any impact on investment in current or future infrastructure. While the debt levels have been increased, they are comparable to private sector benchmarks. That work was previously undertaken and is consistent with the recommendations of the Independent Review of State Finances detailed by the government. Those high debt levels will not have any impact on the network component or the retail prices themselves.

Mr POWELL: Mr McLeod and Mr Effeney, if I could again direct a question to each of you. Mr Effeney, when were you informed that the government would be stripping all retained earnings out of Energex?

CHAIR: There is an imputation there. Could you please rephrase the question.

Mr POWELL: Mr Effeney, when were you informed that the government would be requiring a 100 per cent dividend return?

Mr Effeney: We were advised of that matter in the last week in June of this year.

Mr POWELL: Mr McLeod?

Mr McLeod: Same response. We went to the same meeting in the last week in June.

Mr POWELL: Minister, I put it to you that a 100 per cent dividend policy is going to leave these businesses capital deprived and you are basically treating these businesses as cash cows, just as former premier Peter Beattie did. There are a plethora of media articles to show you how that ended up.

Mr BROWN: Point of order.

Mr BAILEY: I am happy to take that question, Chair.

Mr POWELL: The question is, Minister—I had not actually got to the question—will you guarantee that this investment will not have adverse impacts on investment in the electricity network?

Mr BAILEY: The first point I would make is that if his side had been elected the so-called cash cows would have gone to the abattoir. You were privatising and selling them off against the will of Queenslanders, and we would have seen much more drastic change as a result.

Mr POWELL: Just to correct you, we were putting it to the people of Queensland, Minister.

CHAIR: Would you allow the minister to answer the question.

Mr POWELL: Point of order. If the member is misleading the committee, Mr Chair—

Mr BAILEY: The first point is that we are keeping our public power assets in public hands. This was an important part of our election commitments and that is exactly what we are doing. Let us be clear about what they are. This is something for the member for Glass House to consider. These entities are large entities worth \$11 billion, \$12 billion. They are large entities capable of managing their affairs, and it is our view that the adjustment to net profitability after tax will not impair the ability of these businesses to operate. We have absolute faith in their ability to do so, and it is not going to flow through in terms of electricity prices as the member would suggest. It is a decision of government, and in a lot of ways it will drive efficiencies as well.

I note the direction that the member for Glass House is coming from, but the fact is that these would have been privatised and sold off if his government had been re-elected. That is not what the people wanted. It is our right as the government to manage them in an efficient and prudent way, which is what we are doing. The adjustments that are being made are extraordinarily minor to what would have happened if they had been privatised and sold off as part of the Strong Choices asset sales program. The member for Glass House should bear that in mind when he examines this matter.

Mr POWELL: Minister, will you guarantee that this policy will not have adverse impacts on investment in the electricity network?

Mr BAILEY: Our electricity network has very strong investment. There has been a lot of investment into the network, as you would be aware, over the last five years. We are confident that we have a reliable network with adequate investment.

Mr POWELL: You are implementing 100 per cent dividends because the energy network businesses—

CHAIR: Member for Glass House, you are repeating the question. The director-general, minister and CEOs have all given a fair answer to that.

Mr POWELL: Mr Chair, are you sure that you did not get a phone call this morning? It is sounding very much like a protection racket.

CHAIR: Once again, I resent that and I will ask you to withdraw.

Mr POWELL: I withdraw.

Mr BAILEY: The final point I would make here is that if these entities had been privatised the government would be getting a zero per cent dividend—

Mr POWELL: That is a hypothetical.

CHAIR: Minister, I will ask you to—

Mr BAILEY: Sure.

Mr POWELL: I refer to page 4 of the SDS and question on notice No. 12. Director-General, the department plays a key role in implementing the government's renewable energy targets. Can you advise how past experiences inform that process; for example, has the department learned any lessons from the previous Labor government's solar bonus scheme?

Prof. Simshauser: Maybe if I put this in the context of the current terms of reference that have been handed to the Queensland Productivity Commission. As I am sure you would appreciate, any policy needs to be developed in a robust and transparent process. It needs to be intensely data driven and seek a broad array of stakeholder input so you can impound all of that information into the derivation or the implementation of policy.

The government announced that the Queensland Productivity Commission's first task was a review of electricity prices and in addition to that they had a terms of reference on a fair price for solar. That terms of reference is appropriate. It asks all the right questions of all the right stakeholders including, on the one hand, no undue effects on network charges for non-solar customers and, on the other, making sure that the solar output actually gets fair market value, including both private and social costs. So when you look at the terms of reference it incorporates all of the things that you would hope a terms of reference of that nature would incorporate.

CHAIR: Member for Glass House, you have time for one quick question.

Mr POWELL: Is it correct, Director-General, that past solar policies have represented a regressive form of taxation in that the costs for overly generous solar policies have been paid for by all other electricity consumers?

CHAIR: Are you asking for an opinion there?

Mr POWELL: No.

CHAIR: Can you phrase the question please.

Mr POWELL: Mr Chair, I want to table a research paper of which the director-general was one of three authors titled *Queensland solar feed-in tariffs and the merit-order effect: economic benefit, or regressive taxation and wealth transfers?* It states—

But the existing regressive form of indirect taxation is a very poor policy outcome in that the benefits accrued from such policy are internalised by the wealthy households and lead to a disproportionately higher—

CHAIR: You are making a statement there, member for Glass House.

Mr POWELL: I am asking a question, Mr Chair.

CHAIR: Can you get to the question then. Do you seek leave to table the document?

Mr POWELL: I seek leave to table a copy.

CHAIR: Leave is granted.

Mr POWELL: What measures, Director-General, are being taken to ensure consumers are not slugged with another indirect form of taxation in the government's implementation of new policies?

CHAIR: Director-General, would you like to wait until you have a copy of the document? Answer if you wish.

Mr POWELL: The director-general wrote the paper, so—

Prof. Simshauser: I am happy to answer the question without it. In my role as director-general, my role is to provide advice to the government of the day on how best to implement their agenda and in that process I will bring all my skills and knowledge that I have and the research that I have written and the research that I am aware of from other players. My role is also to marshal the skills of the whole department of course. It cannot come down to one individual and public policy is not developed by a single person; it is developed, when it is most effective, incorporating all players and as much information as possible. So, again, when I sit back and think about what has transpired historically in industry and what is in front of us in the terms of reference—and I did see that that did run through the system since I have arrived in this role and I have brought all that experience to that terms of reference—I am pleased to say that I did not have to touch it when I saw it. So all of the things that you would hope would be in a terms of reference on deriving fair prices for solar and so on were in that, so they have been incorporated in the terms of reference.

I think it does do its best to provide guidance to the Queensland Productivity Commission to strike the right balance because there are clearly benefits to solar, but if you devise policy in a way that produces subsidies then it can incur costs on households. I think the current terms of reference covers

all that sort of territory—all the territory you would hope it would—so that we should have confidence that the Queensland Productivity Commission will come out with some good independent advice that reflects all of the lessons that have been learnt all around the world.

Mr POWELL: So we are not going to have a repeat of the hidden scam that you referred to back in 2014?

Prof. Simshauser: I would be speculating—

CHAIR: Sorry, but I missed the question. Could you please—

Mr BROWN: No.

Mr POWELL: I am happy to repeat it.

CHAIR: No, okay—

Mr POWELL: We are not going to have a repeat of the hidden scam—

CHAIR: It sounds like there is a point of order here.

Mr POWELL:—that the director-general referred to in 2014?

CHAIR: Order! Could you please rephrase the question?

Mr POWELL: No. My line of questioning has finished, Mr Chair. Over to you.

CHAIR: We will now move to questions from government members. Minister, I refer to the SDS at pages 2 and 6. What progress has been made in implementing the recommendations of the 2015 Callide Creek flood review report of the Inspector-General of Emergency Management?

Mr BAILEY: I thank the honourable member for his question. Of course in the first week of office of the Palaszczuk government we were confronted with the category 5 Tropical Cyclone Marcia hitting Central Queensland and we saw a very difficult situation occur in that as the cyclone lost its energy it dumped a lot of rain in a very small area. I visited the Callide Dam and Biloela the Friday after the rain event and inspected it. There was a considerable amount of damage. Not only did I meet with Mayor Ron Cariage of Biloela but also inspected the dam and upstream of the dam where I witnessed a huge amount of damage where huge eucalypt trees all the way down the waterway in fact above the dam were knocked over like ninepins. So the people in that area suffered a very traumatic event and this review was conducted in response to that from February until June of this year by the Inspector-General of Emergency Management, who met with local people, made inspections of the flood impact and considered written and public submissions.

There was also an independent market research company that engaged with over 400 local Biloela residents to make sure that their views and their experiences were put into that process, and that was very important. It was a very traumatic event for local residents. The Inspector-General's 2015 Callide Creek flood review made a number of recommendations to improve flood preparedness and response in the Banana shire, in which Biloela is situated.

Those in my department are implementing those recommendations for which they are responsible and they are collaborating with the Banana Shire Council in assisting in implementing those recommendations. There were two recommendations which were relevant to my department. The first one was to determine whether Callide Dam can be operated as a flood mitigation dam and alternative means of effecting improved community outcomes. Such studies would include consideration of the effect of the Callide Valley water supply, dam safety issues, actual mitigation outcomes, a cost-benefit analysis of alternative strategies, and consideration of alternative means of effecting improved community outcomes. Recommendation 1 studies are expected to be completed in the first half of 2016.

The other recommendation in terms of our department was recommendation 5 and that was to clarify the dam owner's legal obligation to comply with emergency action plans and, if required, investigate a more flexible approach to dam operations. With regard to recommendation 5, administrative legislative amendments are being considered in that regard. I understand from the report that there was some confusion in terms of the integration of different agencies in response to what was an unprecedented extreme weather event in the area. Obviously they are matters that need to be addressed and my department is working on both of those recommendations. We take them very seriously and we will be doing everything we can to ensure that any learnings that come out of this difficult event are understood and acted upon.

CHAIR: I refer to the SDS at page 6. Why did you initiate an independent review of the dam operator's warning systems?

Mr BAILEY: Obviously we had that event in Callide and then the extreme rain event in South-East Queensland on 1 May where we saw the greatest level of rain in one May day in 175 years. As a result, we saw some releases from Wivenhoe. As the responsible minister I commissioned the Inspector-General of Emergency Management to undertake an independent review into the warning systems provided for by both Seqwater and SunWater to communities downstream of their dams. Having had the Callide experience and having had the experience on 1 May where there was a process by which people could be notified if there was a possibility of dam releases occurring, I am aware that at 2.51 that day that occurred but there was doubt in my mind about whether there was best practice in play as the second warning went out seven minutes after the gate releases occurred. So it was on that basis that I called for this review as I believe it is absolutely crucial for communities, including irrigators and residents living and working downstream from the dams, to receive best practice and timely notifications of any controlled dam gate openings.

The Inspector-General's review will focus on both Seqwater and SunWater's gated dams, including the Wivenhoe and Callide dams. I understand in relation to Wivenhoe the irrigators' concerns and the critical nature of these notifications, and that is why we have the review. The Inspector-General commenced that review a number of months ago and the final report is scheduled for release in mid-September 2015. I am very keen to see the outcomes of that. It is very important that, as communications evolve in this new digital era, particularly in terms of the operations of our infrastructure, we have the best possible communications for communities. If we can achieve learnings out of this process, I will be very keen to be part of that process of identifying them and implementing them.

CHAIR: Further to that, were residents downstream from Wivenhoe and, closer to home for me, North Pine Dam adequately notified of floodwater releases during the 1 May event?

Mr BAILEY: Further to my previous answer where I did cover a bit of that territory, it was a very severe weather event and I am aware that some mid Brisbane River irrigators did raise concerns about the timing of notifications in terms of Wivenhoe Dam in that they believed that there was not sufficient time for irrigation pumps to be moved ahead of the dam releases, and that is why I have announced that review. I understand the gate releases were at 8 pm that day. There was a notification that went out at 2.51 that afternoon that gate releases were quite possible, but then the second notification went out confirming that fact at seven minutes after the release. So as the minister responsible I believe there can be improvements there. It is important to note that Wivenhoe and Somerset dams have dedicated compartments for storing drinking water as well as floodwater. The flood mitigation manuals for the dams require the floodwater compartments to be emptied in seven days after a flood so only the dedicated drinking water compartment stores water. This ensures the flood compartment is completely empty and available to mitigate the next potential flood. Seqwater estimates on 1 May that 174,000 megalitres of water flowed into Wivenhoe and Somerset dams during the event and releases from Wivenhoe Dam totalled 152,000 megalitres over four days. The rest was retained for our drinking water and I am pleased to report from a water supply point of view that our dam levels in South-East Queensland are in a very healthy state in terms of our water supply over the coming couple of years.

CHAIR: Thank you. I know the Tugun desalination plant has been used before in floods. How has it been used for water supply?

Mr BAILEY: The Tugun desal plant is obviously a very high-tech piece of infrastructure as part of our water grid. It is one of the most secure water supply systems in Australia as a result of reforms coming out of the response to the millennium drought in the mid-2000s where we saw Wivenhoe Dam levels, for instance, drop to as low as 15 per cent. We have to remember that that is less than a decade ago. So we have a plan for all ends of the spectrum when it comes to our climate, and the desal plant proved its value in the 2011 and 2013 floods when the Mount Crosby Water Treatment Plant went down because of turbidity problems. The desal plant was on hand and kicked in and filled the breach there, and that is because a third of the plant can kick in within 24-hours notice of being on hot stand-by and the full plant can kick in within 72 hours. So it is a very strong plan B capacity for the water grid should there be a problem within the water grid due to whatever reason. We have also seen the desal plant coming into play because there are some major upgrades going on to the Mudgeeraba Water Treatment Plant in the coming months. While that very necessary work for what is now, I think, a 35- to 40-year-old plant is being done the desal plant will be supplying water to the Gold Coast area and that is obviously an important part of our water infrastructure framework.

The desalination plant can supply up to 170,000 residents, so it is a substantial piece of infrastructure. As the minister, I have inspected it. It is a very interesting piece of technology. I certainly suggest to any MPs who have not seen it yet that they should. It is an important part of our water security here in South-East Queensland and it is very much a climate-resilient water supply piece of infrastructure.

CHAIR: Thank you for your answer. We have as a committee visited the desalination plant and were thoroughly impressed. It is in the area of the member for Southport.

Mr WHITING: I refer the minister to pages 3 and 4 of the SDS and the service area highlights. You mentioned what Ergon is doing about batteries. What are their plans with renewable energy projects?

Mr BAILEY: I am very pleased to see Ergon Energy about to put out an expression of interest—I know that it has been an announcement at this point—for 150 megawatts of renewable energy to be sourced from Queensland. This will be a major boost to establishing a large scale renewable energy industry in Queensland. Given how much sunshine we have here in Queensland, it makes absolute sense.

Renewable energy is a great opportunity that we need to be taking advantage of. We have a natural advantage in this area and it is astonishing to me that we have not taken advantage of it to the degree that we should over the past three years. To see Ergon Energy out there in this space creating new jobs, creating new economic activity, helping that transition to clean energy in our state of Queensland is very heartening. It simply would not be happening, of course, if Ergon Energy had been privatised and sold off as part of the LNP's Strong Choices program.

Leveraging new solar, wind and hydro opportunities will certainly create a lot of jobs. This week Ergon will call for detailed submissions from companies that can help to meet that goal. Ergon is looking to partner with new renewable energy projects with companies that have a solid reputation in the renewable energy space and can demonstrate—

Mr MOLHOEK: Minister, can I just clarify a point. You mentioned these new batteries and you said this is going to create new jobs. Are these batteries going to be made in Queensland or are they purchased from overseas factories?

CHAIR: We will let the minister answer the question. Maybe that will come to light.

Mr BAILEY: Sorry, that is fairly unrelated to this question that I am answering.

Mr MOLHOEK: No.

Mr BAILEY: If you would like to ask a question later, that is fine.

Mr MOLHOEK: I just wanted to clarify how purchasing new batteries will create new jobs for Queenslanders.

CHAIR: Member for Southport, we will let the minister answer the question. You will have your turn to ask questions soon.

Mr BAILEY: Thank you, Mr Chair. Once again, we see the hostility towards renewable energy from the LNP.

CHAIR: Minister, we will not debate it.

Mr BAILEY: No, the truth hurts sometimes. To answer that question, I am very pleased to see Ergon now able to move in this space. I had my doubts that that would have been the case over the last three years, but Ergon is moving into the battery space and the renewable energy space.

This is a very good trend in terms of being responsive to what is going on in the energy market. That is the way of the future. I commend Ergon for their work in this regard and I look forward to continuing to work with them and the energy sector in terms of developing a large scale renewable energy sector here in Queensland.

CHAIR: Thank you, Minister. We will now move to non-government questions.

Mr MOLHOEK: Minister, you made the statement that the purchase of these batteries is going to create new jobs for Queenslanders. I seek some clarification as to what is the cost of the project? How much are the batteries? Maybe you could take this question on notice. I am curious as to what new jobs the purchase of batteries from overseas factories will generate for Queenslanders.

Mr BAILEY: I am happy to take the question. First of all, you are presuming that all batteries would be manufactured overseas. To the extent—

Mr MOLHOEK: Where are they—

Mr BAILEY: If you would let me answer the question. If we are able to facilitate with the private sector their construction in this state, we would love to do that. We would absolutely love to do that. We would love to be making them in Queensland. But even if we take the premise of your question literally, the installation of batteries requires Queensland workers, so I am not sure where you are coming from there. They do not magically just appear in people's houses; they need Queensland workers who are highly skilled in this area. You have to be highly skilled working in the power industry. The chair of this committee knows how skilled the workers have to be—I am talking about installing batteries; I am answering your question—to make sure that something is properly installed, that it is safe, because you are dealing with power. You do not want to make mistakes with power in an industrial sense, I can assure you, so these are highly skilled jobs.

We have 440,000 houses with solar PVs. We are leading the world in adoption rates, and when batteries become economic for the average consumer and there is demand there, there is enormous capacity here—

Mr MOLHOEK: Mr Chair—

Mr BAILEY: I am answering the question.

Mr MOLHOEK: Point of order. My question was: how many new jobs will the purchase of these batteries create? I do not really need a lecture on the benefits of solar energy. I already have a sound appreciation of the importance of solar energy.

CHAIR: Okay, and that is fine, but the minister may answer the question whichever way he sees proper.

Mr MOLHOEK: The question is: how many new jobs will this create?

Mr BAILEY: I think it is an obvious answer. If even a relatively modest proposition of 440,000 solar PV adopters in Queensland homes decide they want the battery, that is going to create an enormous number of jobs, because it needs Queensland workers to install them.

Mr MOLHOEK: Mr Chair—

Mr BAILEY: I am amazed that we are even covering this territory in a parliamentary committee.

Mr MOLHOEK: I will record the question on notice and I will pass to my colleague.

CHAIR: The minister is the only one who can take a question on notice.

Mr MOLHOEK: I would like to put a question on notice to the minister on this issue.

CHAIR: There will be a different forum for that. I do not think that is relevant for today.

Mr MOLHOEK: I will do it through the chamber.

CHAIR: Okay.

Mr POWELL: Director-General, with regard to the 50 per cent renewable energy target, has the department done any modelling into the potential impact on consumers of adopting such a policy?

Prof. Simshauser: The department has not done any modelling on the 50 per cent renewable target. That will be the subject of a renewable energy study that has not commenced yet.

Mr POWELL: Okay. Director-General, this is to either you or perhaps the CEO of Ergon. Does Ergon know what they will be purchasing that 150 megawatts of power for and at what rate per kilowatt hour?

Prof. Simshauser: I am afraid I do not have knowledge of Ergon's strategy on this. I would really need to defer to Ergon.

Mr McLeod: Ergon Energy Retail has an obligation to meet the RET targets of 33,500 gigawatt hours for the whole industry. That converts to a target for Ergon Energy's retail group. We are going to be short unless we go out to the market and buy these large generation certificates. To promote the opportunity for construction in Queensland, rather than buy certificates from the market at a penalty rate of \$65 we are going out to the market for an expression of interest to get responses from shovel-ready projects. It is a market based approach.

Mr POWELL: At this stage you have no indication of what price that will be?

Mr McLeod: We do not have a price point. We expect through scale to get the price in a range, but that would—

Mr POWELL: Can you share that range?

Mr McLeod: No, because we are going for an expression of interest process and I do not think that would be commercially sensible.

Mr POWELL: Thank you, Mr McLeod. Mr Chair, I am happy to table a letter that was provided by the director-general as a submission to the previous government's market monitoring bill dated 20 June 2014 in which he said—

... without sub-economic and distortionary regulatory price settings and risks, a greater number of retailers can be expected to enter the Queensland market, thereby applying additional pressure on existing retailers to enhance operational efficiencies and so the competitiveness of their offerings.

CHAIR: Member for Glass House –

Mr POWELL: If you are asking me where this relates to—

CHAIR: I was just asking you to ask a question. Will you seek leave to table the document?

Mr POWELL: I will.

CHAIR: Is leave granted? Leave is granted. Could you please get to the question?

Mr POWELL: I will. Director-General, would you agree that market monitoring would increase competition and put downward pressure on costs for consumers?

Prof. Simshauser: Can I see that? Is that the letter?

CHAIR: We will wait until we have the letter.

Mr POWELL: I have an additional copy here for you.

Prof. Simshauser: Thank you, if you would not mind. Sorry, can you—

Mr POWELL: You obviously agree with your statement in there that market monitoring would increase competition and put downward pressure on costs for consumers?

Prof. Simshauser: So you are asking me to—

Mr POWELL: Do you stand by the comments you made in that submission?

Prof. Simshauser: So the comments in this, I have signed this letter that—

Mr BAILEY: Chair, the member for Glass House is seeking an opinion on a document that is not related to the budget.

Mr POWELL: It is related to the budget.

Mr BAILEY: It is not a Queensland government document as part of the budget. I am trying to find the relevance.

CHAIR: Thanks, Minister. Member for Glass House, could you please explain the relevance?

Mr POWELL: The SDS at page 3 states—

Develop the Queensland Government's energy strategy; deliver initiatives to reduce price pressures on Queensland businesses, farmers and households ...

and also—

Seek to improve the State's regulatory environment and improve on its performance in engaging with the community and regulating compliance with Queensland's energy legislation.

I also refer you to question on notice No. 16. Perhaps for the minister's sake I will rephrase the question for the director-general. In that same submission you also write—

... we commend the Queensland Government in acting early to legislate the reforms set out in the Market Monitoring Bill ... so that industry has sufficient time for readiness activities and, together with the Queensland Government, to communicate the upcoming changes to consumers.

Minister, your statements about retail electricity deregulation being rushed are completely at odds with these words of your own director-general. Is it not the case that the decision you made to stop that move to full deregulation or market monitoring was actually rushed?

Mr BAILEY: Can I say that any consumer in South-East Queensland today and in the next 60 seconds can change their provider, so let us be clear about what the current circumstances are. I absolutely stand by my view that the previous government had rushed into the deregulation of electricity in South-East Queensland without adequately providing for the vulnerable end of the market. What we see—

Mr POWELL: And you took credit for the same consumer protection.

CHAIR: Member for Glass House, order! Please allow the minister to answer the question.

Mr BAILEY: I do not interrupt you, so please give me a go.

Mr POWELL: Yes, you do, Minister—multiple times, Minister.

CHAIR: Member for Glass House, we are not here to debate this.

Mr POWELL: The same standards apply to the minister, Mr Chair?

CHAIR: Member for Glass House, you heard me speak to the minister as well. Could you please allow him to answer the question.

Mr BAILEY: It was and continues to be my view that the previous government had not adequately looked after the vulnerable end of the market in terms of deregulation of electricity prices in South-East Queensland. That is also a view that was put forward very clearly by the Queensland Council of Social Service, the Queensland Consumers' Association and also National Seniors, three very connected grassroots organisations that represent those people in the marketplace who are on the regulated price. We saw that the previous government was bringing in deregulation without having adequately prepared those people to take advantage of the market.

I might point out that it is a deferral. The deregulation of electricity will happen in South-East Queensland on 1 July 2016, but we will work with QCOSS, the Queensland Consumers' Association and National Seniors to ensure that those people in the marketplace at the vulnerable end are adequately supported and that the communication campaign is clearly targeted so that they can get the information they need to ensure they can get the best possible deal in terms of electricity prices in South-East Queensland.

CHAIR: The document you referred to from the director-general was in a previous role, not in this role.

Mr POWELL: I was not disputing that.

CHAIR: Do you have another line of questioning?

Mr POWELL: I do, thank you, Mr Chair.

CHAIR: Continue, please, member for Glass House.

Mr POWELL: Minister, can you please restate your position in terms of what you regard as a front-line worker when it comes to the government owned power corporations?

Mr BAILEY: I thank the honourable member for his question. Can I say, in terms of definition of a front-line worker, we saw a range of measures under the previous government to try to reduce the number of front-line workers by definition in order to sack 24,000 of them. That was a very unfortunate process—one that I know workers in both the public sector and also government owned corporations remember to this day. I spoke with a lot of them on the doorstep. What we are seeing is a recalibration from our point of view to ensure that those definitions are more robust and do not reflect an ideological agenda to sack thousands of people, especially after they were told by your party before the election that they would be safe.

I can inform the honourable member though that the key objective of our government is certainly delivering quality front-line services and my government asked that a front-line definition be reintroduced that is fair in terms of the workforce. Front line is now defined as roles that are directly delivering services to the public—that is, nurses, doctors, teachers, police officers, but also critical front-line support roles providing services essential to enabling delivery of front-line services and that includes people like hospital and school cleaners, road workers and school groundskeepers. We have reintroduced the front-line definition as of March 2015 for the public sector workforce and it comes down as 72 per cent of them are front line, 19 per cent are front-line support and nine per cent are corporate. That is much more reflective than the fiddling of definitions under your government, of which you were a minister, that was geared up towards sacking as many people as you could get away with.

Mr POWELL: It is not reflective though, Minister, of your position of 7 May.

Mr BAILEY: Just to finish my answer, it is vital that we understand the size and diversity and relativity of our front-line workers in line with Queensland's growing population. The Public Service Commission will monitor and report on the front-line workforce on a regular basis, I can inform the committee. So what we are seeing, Mr Chairperson, is a fairer definition that is more reflective of our workforce's role in terms of supporting this community and we are seeing the reform of those unfortunate definitions under the Newman government which were really designed to facilitate an ideological agenda to sack thousands and thousands of Queenslanders without notice.

Mr POWELL: On 7 May you said, 'I regard all our staff in the public sector as front-line staff. We will defend them.' But obviously your lengthier answer has shown that you have moved away—

CHAIR: Do you have a question, member for Glass House?

Mr POWELL: Yes. If I could request that Mr McLeod again come forward, that would be much appreciated. It is a fairly simple question: are any job losses planned within Ergon over the next 12 months?

Mr McLeod: We are going through a process where we have a final regulatory determination in October of next year so we have not made any pre-decisions on what that looks like. It relates to the questions you asked earlier. Certainly as Ergon Energy moves towards a more efficient frontier, which is part of our regulatory determination, with reduced opex and totex costs and therefore flat revenue, there is a reduction of the workforce over the next 18 months to two years which will be done through business-as-usual processes.

Mr POWELL: Can you explain business as usual?

Mr McLeod: As we restructure the organisation looking for efficiencies, if roles are duplicated we would remove roles or make them redundant. The persons involved would be offered a job elsewhere or redundancy.

Mr POWELL: Are there any depot closures planned?

Mr McLeod: No.

Mr POWELL: I would like to table, with the permission of the committee, Mr Chair, an email from an Ergon worker whose name has been redacted. It outlines changes to Ergon's administrative services structure. I will wait for you to get a copy of that.

CHAIR: I am just wondering—I have allowed a bit of latitude with this line of questioning—how this will assist the committee to determine whether public funds are being spent efficiently or appropriate public guarantees are being provided.

Mr POWELL: Thank you. The SDS has in it—

CHAIR: No, this is a government owned corporation you are asking questions of.

Mr POWELL: That is correct and the SDS—

CHAIR: They can run their businesses themselves.

Mr POWELL: They can.

CHAIR: You are asking how they are running their business—that is not to do with the Appropriation Bill.

Mr POWELL: No, I am seeking some clarification, based on the evidence we have in this email and consistent with the statements Mr McLeod just made, that there will not be any forced redundancies.

CHAIR: I have allowed some latitude in the questioning.

Mr POWELL: Okay. You are not going to let me to table that email?

CHAIR: I will allow you to seek leave to table the document.

Mr POWELL: I seek leave to table the document.

CHAIR: Leave is granted.

Mr WHITING: Point of order, Mr Chair. We have to make sure that nothing in this document is going to identify anyone.

CHAIR: He said it has been redacted.

Mr POWELL: We have gone to the length of redacting.

Mr WHITING: I am just double-checking. It is not going to endanger any commercial-in-confidence issues?

CHAIR: Once again, I really do not think that that question is relevant to the Appropriation Bill.

Mr POWELL: The minister just outlined in a lengthy response his views on front-line service positions.

CHAIR: Yes, within the public sector. This is a government owned corporation.

Mr POWELL: This is within the government owned corporation. It was also referring to his comments about what he considers to be a front-line worker within a government owned corporation. I am struggling to see how you can distinguish between the two.

CHAIR: Because there is standing order 180.

Mr POWELL: Correct, but you allowed the minister's response without question.

CHAIR: I did, and I was not quick enough to pick it up, but I am picking it up here. Have you got another line of questioning?

Mr POWELL: Consistent with the question that I put to Mr McLeod before, there will be no forced redundancies of Ergon staff?

Mr McLeod: The EBA, the enterprise agreement, has a clause in it that there are no forced redundancies. They are all voluntary.

Mr POWELL: Will there be no forced relocations of workers?

Mr McLeod: There are no forced relocations.

Mr POWELL: Thank you very much.

CHAIR: Do you have another question?

Mr POWELL: The member for Burdekin had one question, Mr Chair.

Mr LAST: Minister, you said in your opening statement that you saw electricity prices for farmers stabilising. Can you update the committee on any plans going forward to have tariff reform, particularly in the agricultural industry regarding irrigation, take place?

Mr BAILEY: I thank the honourable member for the question. The first task of the new independent Queensland Productivity Commission, which we are establishing, is an inquiry into electricity pricing. It will look into all aspects of electricity pricing, including tariff reform. So there will be an opportunity for the community, including yourself, to make submissions to that. I would encourage farmers and irrigators to do so. Tariff reform is a really important issue not just for that but in terms of how energy moves forward. Managing peak demand is very important. Managing how renewable energy continues to integrate into the system is a very important issue and it is one that we are very keen to look at. It will be a part of the Productivity Commission inquiry.

CHAIR: We will now move to government members.

Mr WHITING: Minister, my question refers to renewable energy projects. I refer to the SDS at page 4, the service area highlights and the development of the renewable energy industry. What renewable energy projects are being developed in Queensland and what are they costing the taxpayers?

Mr BAILEY: I thank the honourable member for his question. I am very pleased to report to the committee that there is a lot of private interest in terms of renewable energy projects in Queensland and many of them are quite advanced. Now that we have finally seen the federal government land in terms of the RET there is some certainty—although, the 33,000 gigawatt level is unfortunately low. Because the federal government held the renewable energy industry hostage for so long and saw investment in renewable energy drop by 88 per cent because they would not make a decision, there have been unfortunate consequences. But, nonetheless, we still see a lot of interest and many well advanced projects.

In addition to wind and solar PV, other technologies about include waste and hydroelectricity projects. I am very pleased to report to the committee that numerous proposed projects are about, ranging from 4,000 megawatts of solar to 1,500 megawatts of wind, 500 megawatts of other types of renewable energy. Some of these specifically include: a 2,000 megawatt solar PV plant proposed at Bulli Creek—that is a huge project; the 120 megawatt Clare solar farm; the North Queensland Bio-Energy Corp project, which is proposed to include a 115 megawatt biomass project; and the 189 megawatt Mount Emerald wind farm, up in Far North Queensland, that was called in by this government

and approved and is now on the desk of the federal government for approval. I urge them to approve that project. Far North Queensland has been calling out for more power. They have got a ready-to-go project there with clean wind energy and I urge them to look at that fairly soon. There is the 75 megawatt Forsyth wind farm as well.

We are very keen to continue to play a leadership role in this regard. It is very heartening to see so much interest. Certainly as I have been moving around the state in these public forums on biofuels I have been approached by a range of private proponents in the renewable energy space talking to me about projects. I think we are about to see a range of those come online. It is a very exciting time, not just for the transition to clean energy in Queensland and action on climate change, but for jobs and economic development. This has got to be at the forefront of our thinking. This industry is only going to get bigger and we have to take advantage of that in Queensland. Sadly, over the last three years we have seen only hostility and, to be quite frank, continued hostility from the opposition where we have lost 1,300 jobs in the last three years. We have to be growing jobs not losing them.

Mr WHITING: I think we have seen some evidence of that hostility today. My next question refers to the SDS at page 4 and the service area highlights. It touches on the one million solar rooftops. What progress has the government made towards its one million solar rooftops target?

Mr BAILEY: I thank the honourable member for his question. I can confirm that we are absolutely committed to our election promise of a million solar rooftops by 2020. It is heartening to see us now leading the world in terms of adoption rates. We have got higher adoption rates than California per capita, Hawaii, Germany—which is the leading country in the world on renewables. Queensland has a higher domestic solar PV adoption rate. I think that is something to be very proud of. And, of course, as I mentioned before, the solar power purchase agreements are in the marketplace. There is a lot of fierce competition that is going on to sign people up. It is seeing a lot of people now being able to take up solar with this new product for the first time without having to outlay any capital. So obviously that is probably a spectrum of the market, perhaps people with more modest incomes, who may not have been able to buy in before who can now. That is a fantastic development that we are seeing in Queensland. We are seeing the private market driving that. A lot of competition is happening.

The two other areas that are great opportunities for this state in terms of getting to a million solar rooftops, of course, as I have mentioned and I will not go over it too much, is the continually improving economics around battery technology, but importantly we also have great opportunities around commercial and industrial solar where we certainly lag behind New South Wales who have surged ahead in this regard. We think there are some opportunities there as well. The demand for solar is very resilient and it is a maturing market. For us it is about facilitation, it is about getting blockages out of the way in terms of the industry. That is the way forward. The market is driving a fair bit of it. We are happy to work with the renewable industry sector and build positive relationships there which we have been doing over the last seven months. I had a renewable energy round table where we invited them into the parliament to discuss their industry and what we could do. Now that the RET has finally landed and there is some certainty, albeit a fairly low target which is unfortunate, it at least has given the industry certainty in which to go out there and get projects going; a very good situation for Queensland to be in.

Mr WHITING: Thank you, Minister. I certainly agree about there being some great opportunities available to our state. One of those, obviously, is biofuels. I refer to SDS pages 2, 4 and 16. Biofuels are a key part of the renewable agenda in many countries. What is the Queensland government doing to grow the biofuels industry in Queensland?

Mr BAILEY: I can certainly confirm that this government is committed to developing our biofuels and our biomanufacturing industry. This is consistent with the actions of previous Labor governments, under premiers Beattie and Bligh, which introduced ethanol, a renewable energy source, into our fuel mix. Now that we have the opportunity again, we are doing so. Sadly, over the past three years we had seen the percentage of the fuel mix of ethanol in Queensland drop from about 2.7 to about 1.2 because of a lack of government commitment. Very early in this term we recommitted ourselves to that policy that we introduced into Queensland. We have a strong record on it.

We are keen to work with stakeholders from right across Queensland to develop this great opportunity for us. We have held nine public forums. I have attended a number myself, at Dalby, Mareeba and Brisbane. We have had a range of others in North Queensland. I did not notice too many LNP members from the parliament turn up to those forums, but nearly 300 people turned up. We have had 88 written submissions as well. There is considerable interest and we are working with stakeholders to see how we can implement it in a way that is sustainable and that grows Queensland jobs and Queensland industry.

Importantly, this is not just about ethanol. This is also about biodiesel. We see demand for diesel increasing at a remarkable rate. Last year there was a 9½ per cent increase in diesel sales in Queensland. Introducing a greater level of renewable aspect to the biodiesel part of the market is also a great opportunity for us. There is a small plant at Narangba that we would love to see get big and create more Queensland jobs. I have visited both ethanol plants—one in Sarina run by Wilmar and United's plant at Dalby. If you have been to one of those plants you will know that it is a very high-tech industry. They have very sophisticated laboratories. Everything has to be, obviously, of a precise nature. They employ lots of Queensland workers and we would love to see those plants grow and new plants be established in Queensland.

By their very nature, this is about regional jobs growing regional economies. There is a lot of support at these forums from the sugarcane industry, the sugar millers and the sorghum industry in the Dalby region. There is very strong support from the agricultural sector for these measures. They are good policies in terms of our fuel security, and they are good policies in terms of growing Queensland jobs and regional economies. We look forward to working with stakeholders to ensure this policy is implemented.

Mr WHITING: Certainly I agree that it offers great opportunities and great jobs at the biodiesel plant at Narangba, which is in my electorate. On the biofuels mandate, I refer to SDS pages 2, 4 and 16 again. What were the results of the consultation on the proposed mandates?

Mr BAILEY: The results of the consultations were very positive. We have had submissions from a wide range of industry, from the agriculture sector to, obviously, the producers. It has been overwhelmingly positive. We will be releasing a report on that in the near future. Can I say, this is what happens when you consult with the community. We have made it very clear and the Premier has made it very clear that this is a positive government that seeks to work with stakeholders and to engage with industries. If we are to make the best possible decisions from a government point of view, we need to work closely with stakeholders. This is a classic case where that is exactly what we are going to do.

It has been very heartening. We have 88 written submissions. There are a whole range of issues from stakeholders from a number of different perspectives. There are a number of different industries involved in implementing this mandate and growing biofuels. We are keen to work them. I thank all of those stakeholders. I have had many meetings with them. We have benefitted very much from their knowledge and their experience in their industries. The way to run good government is to be meeting regularly with industry, to be in touch with what is happening on the ground, to ensure that government policy reflects the best possible outcome for our economy and also for our community.

Mr BROWN: Minister, I refer to the SDS at page 6. What is the government doing about bulk water prices in South-East Queensland?

Mr BAILEY: I thank the honourable member for his question and for his interest in water-pricing and cost-of-living issues. We have seen some decisions brought through the Queensland Competition Authority this year—some savings in terms of bulk water prices—that are very heartening in terms of the cost of living for South-East Queenslanders. Due to some efficiencies, we have seen the cost of bulk water drop from \$3.22 to \$2.82. That has meant some savings for councils in South-East Queensland. Six of the 11 councils have seen a drop in the bulk water price this financial year. As some of those councils move towards a common price, we have been able to adjust a few of those councils that have had increases to give them a bit longer to come into the common price, so that we can level out those increases in a more sustainable way. I note that with the bulk water prices for South-East Queensland councils, combined with the retail element from councils, we have seen very minimal increases and, in many cases, decreases of water prices for consumers in South-East Queensland this year.

What we are seeing out there on the cost-of-living front with electricity prices at the moment is that the preliminary price has had a small fall of 0.5 per cent on average. Water has stabilised significantly as well. We are starting to see some real improvements there. That is very heartening to see. I am sure consumers right throughout South-East Queensland will be very heartened to see that.

Mr BROWN: Again on the cost-of-living front, I refer the minister to SDS pages 2 and 3. What contribution is the government making to the cost of energy concessions and rebates?

Mr BAILEY: I certainly note that at about this time in the budget last year we had seen the previous government try to take concessions off Queenslanders for things such as electricity and water. That was an extraordinarily out-of-touch and unfortunate exercise and an inappropriate response to the withdrawal of the federal Abbott government from contributing to concessions and assisting vulnerable

members in our community. We saw a reversal of that within a day or two because there was such a response, understandably, from Queenslanders right across this state. I understand that electorate office phones were running hot that day, because the government had got it so wrong.

We are absolutely committed to supporting vulnerable Queenslanders with support for the concessions. These include, for instance, the electricity rebate, the reticulated natural gas rebate, which is worth about \$69, the Home Energy Emergency Assistance Scheme, and also the Electricity Life Support Concession Scheme, which is obviously a very important one, as is the Medical Cooling and Heating Electricity Concession Scheme.

In this year's budget we are investing about \$170 million to support vulnerable Queenslanders with that kind of support. We have an annual electricity rebate for pensioners and seniors of about \$321 on average. We are committed to equitable outcomes, and those concessions are absolutely committed to by this government. You will not be seeing any exercises like last year's budget under the previous administration. We understand that vulnerable Queenslanders need support. We will be continuing that support and we look forward to working with them.

Mr BROWN: My next question is about vulnerable Queenslanders. I refer the minister to the SDS on page 3. How is the government tackling the issue of debt related electricity disconnections?

Mr BAILEY: I thank the honourable member for his support for vulnerable Queenslanders. Obviously he understands their needs in his constituency. I can inform the committee that Queensland Competition Authority data revealed that, in 2014, 27,036 households had their power cut off for not paying their electricity bills. Sadly, that was the highest level of cut-off since the natural disasters of 2011. Sadly, this rising trend has continued in the first quarter of 2015. It is very clear that this is unacceptable and no doubt is related to the 43 per cent increase in electricity prices over the past three years. Certainly it is an issue. I have had many discussions with my constituents about it and certainly during the last campaign it kept coming up as an important issue.

Since 1 July this year, retailers are required to have hardship plans available for vulnerable customers and the Queensland government provides a range of rebates and concessions to support them. Hopefully this year, with the stabilising of electricity prices and working with QCOS, QCA and National Seniors, we can make sure that people at that vulnerable end of the market are supported. I think anybody would acknowledge that 27,000 is quite a startling number. Let us hope that we can get that number down over the next 12 months.

CHAIR: We will now go to non-government members.

Mr POWELL: I request the CEO of Seqwater. Good morning, Sir. I refer to question on notice No. 13 where we asked a range of government owned corporations for staffing numbers. Would you have available the number of staff employed by Seqwater as at 30 June 2015?

Mr Dennis: Our establishment numbers for Seqwater as at 30 June 2015 were 620.

Mr POWELL: Can you tell me, Mr Dennis, how many of those are trainees?

Mr Dennis: Seqwater has our Next Generations workforce program, which consists of a number of trainees, apprentices and graduate placements. We have 13 trainees, five apprentices and one graduate placement.

Mr POWELL: Do you have available today, Mr Dennis, what those trainees were on average being paid through salary at 30 June 2014?

Mr Dennis: No, I do not.

Mr POWELL: Do you have what they are currently being paid, as at 30 June this year?

Mr Dennis: No, I do not.

Mr POWELL: Mr Chair, would it be possible for me to receive that information?

CHAIR: If the minister is willing to take that on notice.

Mr POWELL: Just to be clear, we are seeking the average salary of a Seqwater trainee at 30 June 2014 and at 30 June 2015 and if there have been any subsequent salary changes since that date, if possible. Mr Dennis, are you able to elaborate for the committee on the role of the trainee? Are they geographically located within a specific catchment? What activities do they undertake?

Mr Dennis: We look at our trainee program each year. They consist of a range of different front-line resources. Some examples are our dam operators and our rangers. We are very much focusing on the future, so looking at the skills and capabilities we need to operate our dams, manage our catchment areas and operate our water treatment plants. From a business perspective, we look at

our future needs and our workforce in terms of the age profile of our workforce and work out a sensible plan in terms of what we need to invest in for our next generation of workforce. They are the three main areas: our water treatment plant operators, our rangers and our dam operators.

Mr POWELL: Would the rangers and the water treatment operators be single-site specific?

Mr Dennis: As you are probably aware, Seqwater covers a large geographic region. We actually try to give our trainees a range of different experiences. That is really important, to be operating not just on a particular dam or a particular water treatment plant. It is important for skills development to have some flexibility in terms of where they get the skills that they need to be good dam operators, water treatment plant operators and rangers.

Mr POWELL: And that may have changed in the last 12 months, based on the review you referred to in terms of constantly reviewing the program to make sure that you are getting the best—

Mr Dennis: Yes. We have a very adaptive approach to our workforce.

Mr POWELL: Thank you, Mr Dennis. Minister, I refer to Budget Paper No. 2, page 123, where it says—

To drive this work and streamline performance, the Queensland Government proposes to merge the network businesses, consolidating Boards, backroom office functions and senior management positions.

Has the government given up on its plans to merge the power generation businesses CS Energy and Stanwell, and is that why there is no reference to it anywhere in the budget papers?

Mr BAILEY: I thank the honourable member for his question. We are absolutely committed to the merger process. As outlined, we are steadily working our way through that process to deliver the efficiencies, as outlined, I might add, by the member for Caloundra in 2013, 'to merge the network businesses of state owned Ergon and Energex to target savings of more than \$580 million over seven years.'

Mr POWELL: Point of order, Mr Chair. I do not believe the minister heard the question correctly. I was actually referring to the generators, CS Energy and Stanwell. There was no reference in the papers.

Mr BAILEY: I misheard your question. Our policy is very clear in this regard. The merger will happen subject to ACCC consultation. We have made it very clear that those power companies will merge. However, as the Treasurer said, we are looking at different options about how those mergers might occur. We are committed to the efficiencies that come out of that but are also flexible about how that would occur and about what is the best possible outcome for Queensland consumers and the government. There are a couple of main drivers. There are the efficiencies in terms of operations and savings to the taxpayer. We also want to see that our energy companies reorientate towards the renewable energy sector and its opportunities. We must ensure that whatever merger happens is relevant to the energy market at the moment as it is transforming. There are a range of ways to do that. We are working our way steadily through that process. It is not a process that you want to rush. We want the best possible outcome and we want to get it right. We are committed to that merger process.

CHAIR: The committee will now adjourn for a break. The hearing will resume at 11.30 am and continue with the portfolio areas of Main Roads, Road Safety and Ports. Thank you all for your participation.

Proceedings suspended from 11.02 am to 11.30 am



CHAIR: Welcome back, Minister and officials. The committee will now resume the examination of the estimates of the Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply. We will examine the minister's portfolio areas of Main Roads, Road Safety and Ports between 11.30 am and 1.30 pm. For the benefit of Hansard, I will ask advisers to identify themselves the first time they answer a question referred to them by the minister, directors-general or CEOs. I remind members that the question before the committee is that the proposed expenditure be agreed to. We will now commence questioning. I call the member for Indooroopilly.

Mr EMERSON: My question is to the Minister for Road Safety. On Monday, the minister launched the Safer Roads, Safer Queensland Plan. I note that the foreword of the plan is by the minister and the Police Minister, Jo-Ann Miller. Minister, in fact, I note that in the plan Minister Miller is actually ahead of you. The police minister has been at most of the other media conferences about the formation of this plan. Why was the minister not at the launch on Monday? Was the minister trying to protect her? Why was she in hiding?

Mr BAILEY: I am happy to answer that. It is very interesting that we launched a road safety strategy last Monday—something that the previous government, which the member for Indooroopilly was ministry in, failed to renew. The opposition had no strategy whatsoever for the majority of the last term. It is interesting that the member should seek in his first question to raise an issue of personality rather than an issue of substance—road safety.

Mr EMERSON: Why was the minister not there? Where was the police minister?

CHAIR: Member for Indooroopilly, can you cease interjecting.

Mr BAILEY: I think this shows the member's priorities. I work very well with Minister Miller. Being the police minister, we work closely together on road safety. I have known Minister Miller for 17 years. We are good friends. When I cannot do a road safety event, she does them. When she cannot get to them, I do them. That is the normal train of business. It is no conspiracy. I think it is a shame once again that the opposition are asking questions about personalities rather than the budget. They have asked almost as many questions about Minister Miller as about the budget. It shows an extraordinary set of priorities. Probably the only racket that they are running here is not doing their jobs as MPs.

Mr EMERSON: I cite every other press release—Jo-Ann Miller and yourself, Jo-Ann Miller and yourself, Jo-Ann Miller and yourself—but on the day of the launch of the key road safety plan, suddenly she is off the release, she is not on the main release. What was she doing that day? Where did you hide her that day? What were you trying to protect her from?

Mr BAILEY: Once again, this is another question not about the budget and appropriations. You would think the member for Indooroopilly would know better. The fact is that Minister Miller was unable to attend because, as police minister, she was outside of Brisbane. It was appropriate that I do the event. I might add that Minister Miller has done many road safety announcements without me. This is no grand conspiracy; this is the normal operations of government. Once again we see an opposition fixated on a personality rather than the budget and the appropriations. They have been running around for seven months saying that we do not have a plan. Here is our plan; it is the budget. The budget has specific allocations right across the state and yet they have nothing to say about it.

CHAIR: Member for Indooroopilly, can we have a question about the budget please?

Mr EMERSON: It is about the budget and refers to the budget. I cite the SDS at page 8, road safety. This is about the key road safety plan as mentioned in the budget repeatedly. I note again that the police minister failed to attend the launch on Monday. Was she ever scheduled to attend the launch of that plan?

Mr BAILEY: The launch day was adjusted. We were both scheduled to do it. Unfortunately, there was an adjustment to the schedules and unfortunately we were not able to be there at the same time because of her duties as the police minister. This is normal. But, once again, we have another question not about the budget. The member for Indooroopilly is here wasting the time of the considerable resources of the parliament. The member has a great opportunity here to ask me about any aspect of \$5.4 billion of expenditure and yet he remains fixated on this LNP agenda—one person. It is embarrassing.

Mr EMERSON: Minister, as you said—and you just admitted—the timing of the launch was adjusted. I understand that it was due to occur last week rather than on Monday. Was it held off? Was it supposed to be on that Tuesday when there was that headline about Jo-Ann Miller? Was it supposed to be on Wednesday when there was that headline about Jo-Ann Miller? Was it on the Thursday when there was that headline about Jo-Ann Miller or on Friday when there was that headline about Jo-Ann Miller? What day was it supposed to occur?

CHAIR: I will rule this question out of order. The member has had a bit of go on this line of questioning. Does the member for Indooroopilly have another line of questioning?

Mr EMERSON: This is very much about the road safety program. The key part of the road safety program is enforcement of road safety. Very clearly, if a minister is in hiding, is being protected, is hidden away and is missing in action that affects the capacity to implement road safety. Why is the police minister who has an integral role in road safety being hidden away and not attending a launch of the key road safety plan?

CHAIR: Member for Indooroopilly, this is repetition. The member is asking the same question. The Minister for Main Roads is here, could the member ask him a question relevant to the portfolio of main roads?

Mr EMERSON: I take your advice, Mr Chair. I refer to the minister's earlier answer in which he said the timing of the launch of the road safety action plan was adjusted—a plan mentioned repeatedly in the SDS, including on page 8. Why was it adjusted?

Mr BAILEY: Once again, Mr Chair, we have another question not about the budget or appropriations.

Mr EMERSON: Point of order, Mr Chair.

Mr BAILEY: You have asked the question.

Mr EMERSON: Mr Chair, this question is about the budget. The road safety action plan is mentioned repeatedly in the budget. Why was the timing of the launch of that program adjusted? As the minister earlier indicated, it was due to be launched the previous week. Why was it adjusted? Why was it adjusted in such a way that the police minister could not attend?

CHAIR: I believe there is an inference that the member is making a suggestion. Please rephrase the question.

Mr EMERSON: Given the fact that the minister has not answered the question, I can only assume it is about Jo-Ann Miller, but I am happy to hear from the minister about why the timing of the launch was adjusted.

Mr BAILEY: Appointments and press conference times move around for all sorts of reasons. I do not recall the specific reason it was adjusted. My diary moves around every day, depending on availabilities, other people's availability, other events. As a former minister, the member for Indooroopilly would know that this process occurs all the time in terms of any minister's diary, in any government. Diaries are fluid, depending on availability and a whole lot of different factors. The member is trying to allege some kind of conspiracy. Once again, we get no substantial question about a \$5.4 billion portfolio. It is a normal part of government that diary appointments move around depending on a whole range of factors. I encourage the member, if he wants to contribute to this parliament, to perhaps ask a question about the budget and about the appropriations as is appropriate under the standing orders.

Mr EMERSON: Mr Chair—

CHAIR: Member for Indooroopilly, do you have another line of questioning?

Mr EMERSON: I am just following up the answer from the minister. He said the timing of the launch was 'adjusted.' Who ordered that change and why was the change made?

CHAIR: I believe the minister has answered the question.

Mr EMERSON: I am sorry, Mr Chair, I have not heard the minister answer that question. The minister said there was an adjustment but he has not said why it was adjusted or who ordered the change of timing?

Mr BAILEY: I refer the honourable member to my previous answer.

CHAIR: The minister may answer the question in any way he sees fit. Member for Indooroopilly, do you have another line of questioning?

Mr EMERSON: I take the Chair's advice that the minister can answer however he likes, but that does not mean he is answering the question I asked. Again, I ask the question very clearly: taking on board what the minister said in his own answer, the timing of the launch was adjusted. Why was it adjusted and who ordered the timing of the launch be changed? It is a very simple question. We are not getting an answer from the minister.

Mr BAILEY: I have answered this question adequately. Diary dates move around for all kinds of reasons. To be quite frank, I do not recall the specific reason. My diary moves around continually depending on availability and a whole range of factors. It would have been the same when the member for Indooroopilly was minister. This is a normal process. It is not often possible to conveniently get two ministers in the one place. We are very active; we are in different parts of the state. This is a normal part of government. The member is alleging some kind of conspiracy. Quite frankly, it is a pathetic tactic. I do encourage the member, now that he has wasted 10 minutes of the committee's time on a personality matter, to ask a question about the budget and to fulfil his duties as a member of parliament representing his constituents to scrutinise the budget.

CHAIR: Does the member for Indooroopilly have another line of questioning?

Mr EMERSON: Again, given the importance of enforcement to Queensland as part of the road safety action plan, does the minister have confidence in the police minister's ability to enforce that section of road safety?

Mr BAILEY: The member obviously does not pay much attention to media because he should be aware that only last week Minister Miller and I stood up at the beginning of Road Safety Week with an array of appropriate agencies to launch our statewide campaign. There were 50 events right across Queensland promoting road safety. I went to Mackay for the Road Safety Awards. One aspect of our policy that is in the budget is the enforcement of double demerit points for people's repeated mobile phone usage in cars. That was one of our key messages that day. I was very happy to stand up with the police minister. We both spoke at a press conference the whole press gallery attended. Given that I did a press conference two weeks ago on road safety with the police minister, the member for Indooroopilly's suggestion is really hard to fathom, yet he seems continually to ignore this fact. It is quite extraordinary behaviour.

Mr EMERSON: Mr Chair, the minister has just admitted that, prior to the PCCC report coming out, he was regularly doing press conferences on this matter with the police minister. The moment the PCCC report comes out, the time is adjusted.

CHAIR: Are you making a speech or asking a question, member for Indooroopilly?

Mr EMERSON: No, I am prefacing my question.

CHAIR: Can we get to it?

Mr EMERSON: As I said, the minister just admitted that he was regularly doing press conferences on this matter with the police minister. The moment the PCCC report comes out, suddenly the minister is in hiding. When the launch date is adjusted, to use the language of the minister—the minister does not give an explanation about who ordered the change or why it was changed—suddenly, the minister is missing in action at the launch of the most key road safety—

Mr WHITING: We are getting a lot of opinions in the asking of this question.

CHAIR: I have not yet heard a question.

Mr EMERSON: Again, I still have not received an answer. Who ordered the change to the timing of the launch?

CHAIR: The minister has answered that question in that his diary shifts around. I believe that was the answer.

Mr EMERSON: I appreciate that that is the result of the order that the diary shifts around, that someone has changed it. The minister has not answered who told him, 'This will be the timing of the launch, this will be a launch without the police minister.' Why was the police minister kept protected away from the media, why was she in hiding?

Mr BAILEY: Mr Chair, the same question has now been asked six times.

CHAIR: I believe so, and I will rule the question out of order. Member for Indooroopilly, could you please move on to another line of questions?

Mr EMERSON: Certainly, Mr Chair. You mentioned the road toll, Minister. I go to the director-general. Director-General, I refer to page 11 of the SDS. What is the current road toll and how does it compare to last year's road toll?

Mr Scales: The current road toll is plus six today from where it was at this time last year.

Mr EMERSON: Mr Scales, what is the forecast for the current financial year compared to the previous financial year?

Mr Scales: We would hope that it would be kept at the same level.

Mr EMERSON: You mentioned, Mr Scales, that you hope that will be the case. What does the SDS show in terms of the forecast and target or estimate for the road toll this financial year compared to what happened last year?

Mr Scales: In 2014 we had 223 road fatalities and the target in 2014-15 at this point in time was 135. Again, I refer you to the previous answer.

Mr EMERSON: Sorry, Mr Scales, maybe you misunderstood what I said. I asked: in terms of the fiscal year as reported in the SDS, which is what was reported, what was it in the previous fiscal year compared to what you are targeting for the next fiscal year?

Mr Scales: Fiscal year or calendar year?

Mr EMERSON: The report in the SDS shows the fiscal years 2014-15 and 2015-16. I can point you to it in the SDS if you are struggling.

Mr Scales: That would be helpful, member for Indooroopilly.

Mr EMERSON: At page 8 and further at page 11 you will see fatalities per 100,000 population on state controlled roads. It provides a 2014-15 actual and a forecast target, an estimated road toll, for 2015-16. Can you please provide the numbers? This is very crucial to Queensland and, as the minister has indicated, road safety is very important. What was the fiscal year number for the road toll and what is it forecast in this fiscal year, according to the government's budget figures?

Mr Scales: I take the correction. I was quoting absolute numbers of fatalities. The target for 2014-15 is—

Mr EMERSON: Not the target; I am asking for the actual.

Mr Scales: I will get to that. It is 3.35 per 100,000 population.

Mr EMERSON: Sorry, I was looking for the total, Mr Scales. Do you have the total number there, please?

Mr Scales: Yes, and 3.24 is the target per 100,000 population on state controlled roads.

Mr EMERSON: Sorry, Mr Scales. Maybe again you misunderstood my question. I asked: what was the road toll for the fiscal year 2014-15 per 100,000 population and what is the forecast? I am looking for what happened last year and what you forecast to happen this year. I do not think I can make it any clearer than that, Mr Scales.

Mr Scales: No. I am very happy. The actual for last year, 2014-15, was 2.75 per 100,000 population.

Mr EMERSON: No. I am asking for a number please.

CHAIR: Can you let him answer the question? If it is not to your satisfaction—

Mr EMERSON: Sorry, Mr Chair. He is repeating the same mistake.

CHAIR: No, please. Let him answer the question and then if it is unsatisfactory you can ask another question.

Mr Scales: The actual was 233 last year.

Mr EMERSON: No. I am after the fiscal year, Mr Scales. I am asking for the fiscal year again.

Mr Scales: For the fiscal year, I am giving you the actual from the SDS of 2.75 per 100,000 and the estimate for the fiscal year we are in now is 3.24.

Mr EMERSON: I have asked the question a number of times, Mr Chair. Again, I have not got the actual numbers; I am just getting percentages. Given that seems to be the only thing the DG can provide, maybe he can take the question on notice, if that is possible, in terms of the actual numbers of deaths on our roads. I do ask, then: why does there appear to be a 17.6 per cent increase forecast this fiscal year on state controlled roads compared to last year? Why is there an almost 20 per cent increase in the forecast road toll for this fiscal year?

Mr Scales: We are actually forecasting where we think the number will end up at.

Mr EMERSON: That is exactly what I am saying, Mr Scales. Why are you forecasting an almost 20 per cent increase in the road toll? Why will the road toll go up this fiscal year by almost 20 per cent under your forecast?

Mr Scales: That is the figure that we anticipate will happen. We had an exceptional year last year which would be for a number of factors. What this target estimate points out is where we think it may well end up.

Mr EMERSON: So you think the road toll will be 20 per cent more this year compared to last year?

CHAIR: You are asking for an opinion.

Mr EMERSON: No, I am asking him to clarify the numbers in the SDS as written down there on page 11 of the SDS.

Mr BAILEY: Can I seek a ruling, Chair? The standing orders are very clear about asking for an opinion. That is clearly a question that is asking an opinion, that is speculative. It is not about an actuality.

Mr EMERSON: I am happy to clarify that.

CHAIR: Excuse me, member for Indooroopilly. That is what I did ask you to do. You were asking for an opinion. Can you please rephrase the question.

Mr EMERSON: I am happy to rephrase the question. Mr Scales, you made an estimate of what the road toll will be this fiscal year. Why did the department estimate an almost 20 per cent increase in our road toll this year? Why under this budget are we seeing the department forecast an almost 20 per cent increase in the road toll this year compared to last?

Mr Scales: As I said before, that is where the department estimates we may be.

Mr EMERSON: I appreciate you repeating my question. Can you give me the factors? Why do you think it is going up? I understand that is the estimate and the target. I am asking for why the department thinks that is the case.

Mr Scales: We had an exceptional year last year. We had a record low of 233 fatalities across our roads. The minister has already launched the Safer Roads, Safer Queensland strategy. I am hopeful that we will be under that target of 3.24 people killed on our roads per 100,000 population, but that is the estimate of the department of where we may be.

CHAIR: Thank you, DG. I believe that question has been answered. We will now move to government questions.

Mr BROWN: I refer to pages 10 and 107 of Budget Paper No. 3. Could the minister please summarise the Queensland government's investment in QTRIP?

Mr BAILEY: It is heartening to hear the member's interest in roads, and I know that he has raised a range of local road matters with me. There is an \$18.8 billion investment in our road and infrastructure network in this budget. That is an increase of \$757 million over the forwards for QTRIP, our four-year rolling program of infrastructure in Queensland. We are the only state that has a four-year rolling program, which assists the private sector and industry in engaging with government and planning for future infrastructure projects. In terms of what is relevant to my portfolio, \$14.9 billion of that is for roads and maritime infrastructure. I am happy to say that it is creating nearly 15,000 jobs across Queensland—about 6,300 in regional Queensland, 4,269 in South-East Queensland and about 4,158 right across the state.

What we are also seeing in QTRIP is a reversal of some of the cuts under the previous government. Sadly, under the government of which the member for Indooroopilly was the minister for transport and main roads, we saw a cut to QTRIP of \$200 million each year—year in, year out—for the three years of the last government. That is a \$600 million cut. I can certainly inform the honourable member that, as I have moved around the state and talked to local mayors and councillors, they have been bitterly disappointed about the cuts to roads right across regional Queensland under the previous government. That is why we have moved to ensure that is rectified. I might add that those cuts of \$600 million were redirected into paying for the 'tower of power'—up to the 38th floor now. It really shows what were the priorities of the previous government. They certainly were not about the road networks of Queensland. They were really about their own priorities.

We have committed in this budget through the QTRIP program to a range of new measures and roads. There is a \$160 million roads package on the Gold Coast for the Commonwealth Games which will be a fantastic legacy of road improvements for the Gold Coast community. That involves about six priority projects. We have invested under QTRIP \$40 million for the western roads package. We know that communities out there are doing it hard with the drought in western and north-west Queensland. That money will go a long way to help those drought affected communities not only improve the roads by widening and sealing their roadways but also sustain local workers at a time when incomes out there are really needed. I certainly acknowledge the role of the Premier and the Deputy Premier when they have visited regional Queensland. We are very aware of the impact of the drought out in the western parts of this state.

I commend the QTRIP program. It is a solid investment in roads and marine infrastructure as well as, outside my portfolio, rail. It is an investment in jobs and economic growth in Queensland.

Mr BROWN: With reference to page 117 of Budget Paper No. 3 and the output funding capital items, what is the Vines Creek bridges project?

Mr BAILEY: I thank the honourable member for his question. Productivity is a very important priority for me as Minister for Main Roads. One problem I came across early in my term as the minister, raised with me by the new member for Mackay, Julieanne Gilbert, was the inability of the previous

government to solve the Vines Creek bridges issue on the main road into the Hay Point port at Mackay. These are two old bridges that carry a lot of services underneath them. They were downgraded to 40 kilometres an hour with load limits, meaning freight disruption for some freight operators going to the port that had too-heavy loads to go across the bridges. Obviously that is a disruption to the economic supply chain in Central Queensland. We saw absolute inaction over the last three years by the previous government.

I am very pleased to say that in the first six months of this government we have invested money in the next two years for preparation and design work, as well as a firm commitment in the forwards to replace both of those bridges and upgrade them. We have invested \$274,000 this year in design and preparation work and \$300,000 next financial year, and then substantial work of \$26.7 million will see both of those bridges replaced. Of course we have to keep the road network open at all times. That is a factor in terms of making sure that 24-hour access to the port is maintained. There is a timing issue there to make sure that is adhered to and we do not disrupt our local economy. They will be constructed by 2017-18. They will be done in conjunction with the Mackay ring-road, which is a large scale joint project with the Commonwealth to build a ring-road around Mackay. It makes sense, of course, to time it in terms of that construction.

I would certainly like to thank the member for Mackay for her very strong advocacy for her local community. She has had a big win very early on as the representative for the area but, importantly, for productivity in terms of the Central Queensland and the Northern Queensland economy. This is a major port for agriculture, for sugar, for the mines all around that region. We are very interested in making sure those economic opportunities are maximised.

Mr BROWN: You made reference in your first answer, Minister, to our Gold Coast investment. I would like to draw your attention to pages 11 and 112 of Budget Paper No. 3. Could you further outline what recent projects are underway on the Gold Coast?

Mr BAILEY: This is a very important package. I am happy to outline the specifics of the \$160 million package on the Gold Coast. We will be six-laning the Southport-Burleigh Road from Southport to Broadbeach Waters, including major intersection upgrades. There will be traffic signals for the intersection of Labrador-Carrara Road at Ross Street and Ashmore Road, as well as an extension of the six lanes of Olsen Avenue to Southport-Nerang Road, with intersection upgrades there. We will be improving the intersection of the Smith Street Motorway and Kumbari Avenue. We are also providing additional capacity along Nerang-Broadbeach Road at the Gooding Drive roundabout, along with other minor roadwork improvements. This will create 481 jobs throughout all of this work—jobs that are very much needed on the Gold Coast and I am sure will be welcomed by local workers.

Mr WHITING: I refer to question on notice No. 7, tabled with the committee yesterday. Can the minister please confirm the total amount of money spent by the Department of Transport and Main Roads and the Gladstone Ports Corporation preparing for the privatisation and contestability of government entities in 2012-13, 2013-14 and 2014-15?

Mr BAILEY: I thank the honourable member for his question. In my preparation for the estimates process, I have made a very startling discovery about expenditure in my department which I will shall outline now. On top of the \$70 million the previous government spent on preparing for Strong Choices, privatisation and asset sales before they had a mandate, I have discovered in my Department of Transport and Main Roads an additional \$30 million spent by the member for Indooroopilly and the previous LNP government preparing for privatisation—something that has never been revealed until today. Let me outline the specifics: the figures are disgraceful and take the overall expenditure on preparing for asset sales by the previous government to over \$100 million. This is money that could have been spent on Queensland roads and Queensland services, yet they were spent on consultants and accountants to prepare for something they had no mandate for—none whatsoever. Most shockingly, it goes back not just 12 months but the entire term of the previous government.

Let me outline these figures. The earliest figures are in 2012-13 the previous government spent nearly \$2½ million in preparation for asset sales and privatisation, \$1.9 million under Executive Corporate and \$474,000 under the Transport Renewal Taskforce. In 2013-14 the expenditure surges up to nearly \$15½ million, including a specific allocation of \$8½ million for Strong Choices in 2013-14, I might add, as well as allocations across four other areas. In the year 2014-15 we see an allocation of \$13.9 million preparing for privatisation and asset sales including specifically \$6 million for Strong Choices.

This is a disgrace. This is \$30 million in taxpayer funds being spent on privatisation and asset sales without any public mandate to do so. It is totally against the rhetoric of the previous government. It is a disgraceful use of public money. They had no mandate to do this. These funds should have been

expended on roadways throughout Queensland within the budget portfolio. But it gets worse. We also had the establishment of a separate branch to drive this ideological agenda by the Newman government and the member for Indooroopilly. The Strategy and Renewable Branch, known as SRB, was established specifically, and it led the implementation of this asset sale and privatisation agenda and contestability.

What we have seen is a shocking use of taxpayers' funds. As time goes on, the amount grows. Over \$100 million was spent on selling our assets in Queensland with no public mandate to do so. This is a disgrace. We have to ask the question: what could this additional \$30 million buy in terms of roadways in Queensland? As the new minister, I have had many requests from members of parliament including, interestingly, many LNP members of parliament who did not achieve what they wanted to achieve in the three years under the Newman government asking me for funding for local road projects. There is no doubt that this \$30 million could go a long way to doing the Sumners Road upgrade that the member for Mount Ommaney would like to be done. This is money that could have contributed to the Mooloolah River interchange. This is money that could easily have been spent on the Maleny-Kenilworth Road in the member for Glass House's electorate. The member for Everton has been calling on me to fund the Stafford Road and South Pine Road intersection, but instead his LNP government spent this money on consultancies and accountants preparing for asset sales and privatisation before the people of Queensland had endorsed it or agreed to it. Of course, at the election they did not want this.

Mr MOLHOEK: At least we asked the people of Queensland.

Mr BAILEY: That is the point. I will take that interjection from the LNP member for Southport. This is expenditure on privatisation and asset sales before the election. Here we have the LNP saying, 'We wouldn't do it without a public mandate,' but the actual figures from the department show that they spent over \$100 million on asset sales and privatisation preparation before the election. It is a disgrace. They reneged on their responsibility to be honest with the people of Queensland, and they stand condemned. The member for Indooroopilly should explain today how it is that his department spent \$30 million on consultancies and preparations without any mandate from the Queensland people. These are shocking figures. I guess it is a symptom of a government that was out of touch with reality and that was not being honest with the people of Queensland.

CHAIR: We will now go to non-government questions. I call the member for Indooroopilly.

Mr EMERSON: I note that the lowest road toll in Queensland's history was under the LNP and the LNP's Road Safety Action Plan. Minister, it is acknowledged that drink and drunk driving is part of the fatal five that lead to fatalities on our roads. Will the Labor government's planned 3 am lockouts not lead to more drink or drug driving?

Mr BROWN: Chair, I raise a point of order on relevance.

CHAIR: Can you please explain the relevance, member for Indooroopilly?

Mr EMERSON: The Road Safety Action Plan is part of the road safety minister's portfolio. I am asking whether the 3 am lockout—

Mr BAILEY: I am happy—

CHAIR: You are putting a hypothetical in there.

Mr EMERSON: No, I am asking a question. All right, fair enough given the minister seems to be reluctant to answer it.

Mr BAILEY: I am happy to answer that.

CHAIR: There is no reluctance. I am just asking you to rephrase the question without a hypothetical.

Mr BAILEY: I am happy to answer.

Mr EMERSON: The minister is happy to answer the question.

Mr BAILEY: I will take the question.

Mr EMERSON: Go for it.

Mr BAILEY: It is a curious question. The member for Indooroopilly is suggesting that reduced hours of sale for alcohol would somehow have an impact on the road toll. I think that is a rather bizarre suggestion. In terms of our targets, our targets in terms of the road toll reflect a long-term trend—that

is how we do it. As we know, the road toll moves around. If you look at the graph it is a very jagged progress down. It used to be about 31 fatalities per 100,000 in our population about 40 years ago. It is now down to about 4.7 but the decline over time is not constant. What the target does is reflect the overall trend.

Importantly, this is exactly the same structure in terms of the budget that was in last year's budget of which the member for Indooroopilly was the responsible minister. I can inform the committee that in the 2014-15 budget the target was higher than the actual figure for that year. The member for Indooroopilly just spent 10 minutes of the committee's time trying to make a case that this government is not committed to dealing with the road toll. In fact, the structure of this year's budget in terms of reflecting a long-term trend down is exactly the same relativity that existed under his own budget. That sort of hypocrisy needs to be highlighted.

We are committed to dealing with the road toll. We have outlined a whole range of measures this year in terms of reducing the road toll such as a tougher learner driver test so that when young people get their licence they have greater skills to do high-speed mergers and crossing at cross-traffic. Our motorcycle licensing reforms are up for discussion at the moment. We have double demerit points and are getting tough on drivers using mobile phones. We are working hard in the road safety space, and those figures reflect an overall decline in the road toll that is exactly the same structure in last year's SDS under the member as the minister for main roads and transport.

Mr EMERSON: Mr Chair, I refer back to the minister's answer to the previous question describing the suggestion of the 3 am lockout leading to more drink and drug driving. I seek leave to table this letter from Mr Bailey to the then transport minister, Mr Paul Lucas, about the impact of 3 am lockouts.

CHAIR: Is leave granted?

Mr WHITING: Can we get some more information on this?

CHAIR: We will have a look at the document. Is leave granted?

Mr EMERSON: I have copies for you, Mr Chair.

Mr WHITING: Mr Chair, it has personal details there which I do not think should be shared.

CHAIR: And it was not when the minister was in his current role.

Mr EMERSON: Mr Chair, in this letter which he has written he describes the 3 am curfew as an 'extraordinarily misconceived proposal' which would lead to more patrons choosing to drink or drug drive. In your role now as road safety minister, have you expressed your concerns about the 3 am lockout to the Attorney-General or to Dr Lynham?

Mr BAILEY: I thank the honourable member for his question. I am very happy to respond to this matter. As I have responded to this matter previously in the media, and he would be aware of that, there has been a substantial body of work since I held that view about the impact of drink and drug driving and lockout times. I am surprised the honourable member is not aware, for instance, of the groundbreaking research in Newcastle that showed lockouts reduced the incidence of offences and had a very positive impact in terms of community policing. It has now become a quite common model not just in this state but in Sydney as well. It is very strongly supported by the Queensland Police Service and by supporting agencies such as the Ambulance Service which has to deal with the issues late at night.

As I outlined in the media 12 months ago, when I am confronted with evidence that contradicts a point of view that I have, I change my mind. That is logical. When I see the evidence, when I see that body of work, I adjust my views. He is quoting something that I wrote about eight years ago. Here we are talking about the 2015-16 budget and we have the member for Indooroopilly ferretting around for documents nearly 10 years old on matters. It is really quite an extraordinary performance.

I absolutely support the government's policy in terms of lockouts because the evidence shows that the community is safer in terms of alcohol fuelled violence, which is a very real issue in our community. Dr Anthony Lynham, the member for Stafford, is a plastic surgeon who has put people back together who have been glassed, one of whom is one of my constituents. I doorknocked him. He said to me on the doorstep, 'Do you know Anthony Lynham?' I said, 'Yes, I do.' He said, 'You thank him because he changed my life. I got glassed at a venue and was taken to his hospital, and he operated on me and he fixed me and I want you to convey that to him.' That is the real human toll in terms of the lockout policy. We want to minimise those impacts that are happening out there. I have changed my view on this, and I have been very clear about this publicly 12 months ago. To be quite frank, for you

to be wasting this committee's time on something that is nearly 10 years old when we have \$5.4 billion worth of expenditure here is extraordinarily lightweight. I think you should be acquitting your duties as an MP a lot better than you are now.

Mr EMERSON: Thank you, Mr Chair. I come back to the comments—

CHAIR: Member for Indooroopilly, we will deal with this document. You are seeking leave to table the document?

Mr EMERSON: Yes.

CHAIR: Is leave granted?

Mr WHITING: No.

Mr MOLHOEK: Yes.

CHAIR: We have three for and three against. It is therefore resolved in the negative.

Mr EMERSON: Mr Chair, the document is in the public record already so I am happy to refer to it as a public document. We heard from the minister a moment ago describing his own comments previously as extreme, curious and bizarre. But suddenly now that he is the Minister for Road Safety he is walking away from those comments that he made previously. He argued in that document that it was inevitable that these risks would occur; that there would be more drug- and drink-driving risks. He said it was inevitable. Given the minister also said in the letter that Labor's policy 'will exacerbate street problems and violence' and again warned it was 'simply inevitable' that this would be the consequence, given his very strong views then to the then transport minister about the policy, why has the minister now backflipped? He was so adamant previously about the impact of this policy.

Mr BROWN: Chair, I raise a point of order under standing order 112. The member is making a speech.

Mr BAILEY: I am happy to take the question. There is a very simple answer to this, and that is that policy has moved on since eight years ago. The member for Indooroopilly may not be aware of drink safe precincts, of coordinated agency responses to social problems of which alcohol fuelled violence has emerged severely over the last 10 to 12 years, which is obviously why this policy has come out. The Drink Safe Precincts, a policy which your government continued, have been very successful in supporting people in night-life precincts and in reducing instances of violence against people. The policy itself has moved on, and there has been a huge body of work since that time.

Confronted with a change in policy and evidence, if I find myself to be wrong I admit it and I move on to a position that is better. It is very clear that our government policy does protect people and is much more in sync with what is going on in the community. As I have said to the member for Indooroopilly, I have changed my view on that based on the evidence and based on a substantial body of policy work in terms of the drink-safe precinct program and the Newcastle experiment, and they deserve a lot of credit down there for having been trailblazers in this area.

This is a policy where there are other versions that are not exactly the same precisely but fairly similar in other states. The evidence is that there are too many people being brought into our emergency departments bashed up, bloodied and sometimes needing plastic surgeons like Dr Lynham to help them, and we want to reduce those incidents. I find the fact that the member for Indooroopilly persists with this line of questioning to be quite extraordinary. I am committed to community safety. When I realise that I am wrong, I admit it. What does he do?

Mr EMERSON: Mr Chair, I refer to that letter sent by the now minister to the then minister for transport, Paul Lucas. In that letter, you warned that the 3 am lockout policy of Labor would return Queensland to hicksville. Do you stand by that view?

Mr WHITING: Point of order. He is referring to a document which was not agreed to be tabled.

CHAIR: It is a public document. He has already stated it is a public document.

Mr BAILEY: Mr Chair, this is a repetition now for the third time. I refer the honourable member to my previous answer.

CHAIR: Yes, you are repeating the question.

Mr EMERSON: No, I have asked about a different part to this letter. I will ask the question again. He says in the letter to the then transport minister, Paul Lucas, that Labor's policy will return Queensland to hicksville. Does he stand by that view?

CHAIR: The minister has answered the question.

Mr EMERSON: I did not hear him answer that question in terms of that aspect of it.

CHAIR: The line of questioning has been answered. Do you have another line of questioning, member for Indooroopilly?

Mr EMERSON: Mr Chair, to the director-general again, I note in the question on notice tabled previously that more than \$600 million of projects have been deferred from last year to years in the future. Could the director-general outline for me some examples of those projects that have been deferred?

Mr Scales: As I answered in the Deputy Premier's session, there have been a number of projects deferred as reprofiled in terms of federal money being moved from this current financial year to other financial years—

Mr EMERSON: I am asking the director-general whether he can just indicate to me some examples of those projects. Would those projects, for instance, include road projects?

Mr Scales: Yes, they would.

Mr EMERSON: And, Director-General, given that they include road projects, would some of those projects improve the safety of roads in Queensland?

Mr Scales: Do you want me to read out the—

Mr EMERSON: No, I am happy for you to just answer the question I asked you. Would some of those road projects that have been deferred have improved the safety of the roads in Queensland?

CHAIR: Member for Indooroopilly, you are asking for an opinion.

Mr EMERSON: No, I am not, Mr Chair. Any profile of a road project would include the benefits to the community as part of the business case and the project design, so I am asking the director-general to indicate whether any of those road projects would have included improving the safety of roads in Queensland.

Mr Scales: I am happy to answer, Chair. I think the member is asking me to speculate, so if we do not actually—

Mr EMERSON: I will clarify the question.

Mr Scales: Can I just finish answering it? If we do not actually build a project then it is hard to see whether that particular project would have an effect or not.

Mr EMERSON: Are you saying then, Mr Scales, that when you decide whether a project is going to be built or not you have no idea if it is going to improve the safety of the road?

Mr Scales: I am not saying that.

Mr EMERSON: But you just said you had no idea until it is built.

Mr Scales: You asked me to speculate.

Mr EMERSON: No, I am asking you as part of—

CHAIR: I believe you are asking him to speculate, member for Indooroopilly.

Mr EMERSON: Mr Chair, I am not asking him to speculate.

CHAIR: Could you please rephrase the question.

Mr EMERSON: I am asking: when he chooses a project and plans to build a project, does he include safety as part of the benefits of that project? Would that be one of the benefits considered in terms of a road project?

Mr Scales: It would be.

Mr EMERSON: All right, then. Given the fact, Minister, that we have seen \$600 million of projects deferred, why have they been deferred? Doesn't that mean that those roads are not as safe as they could be if those projects had not been deferred?

Mr BAILEY: What we have seen in terms of the capital project budget is an adjustment to expenditure. We have seen a lot of natural disaster funding come to a close because of the completion of projects. As the honourable member would know, road projects get delivered—sometimes on time, sometimes before time, occasionally after time. In the last 12 months, as you would be aware because for 7½ months of them you were the minister, the summer had a particularly extreme weather event where we had a range of major storms including Cyclone Marcia and Cyclone Nathan. That put back some of our construction work considerably, including of course responding to some of the damage that occurred in Central Queensland as a result of that cyclone.

There are often some deferrals in terms of a department's operations. This year was impacted upon more significantly than most years because of a highly active storm season and because of a number of cyclones, one of which was very damaging to Central Queensland. You would probably remember that a number of bridges were washed out and there was considerable damage to roadways. Some deferral of road projects is a normal part of a government's departmental operations, as you would be aware because you were the minister for 7½ months. Some of that summer storm season occurred while you were there. I think in terms of deferrals, that is normal operations of a government department.

Mr EMERSON: Mr Chair, to the director-general again: I note that in *QTRIP 2015-16 to 2018-19* there is a cut in maintenance funding for the state and national road network in Queensland. I note that the National Road Safety Strategy says that 'improving the safety of roads is the single most significant achievable factor in reducing road trauma'. Why was the level of road maintenance cut this fiscal year compared to last?

Mr Scales: We do use that line in the maintenance budget for contributing to NDRRA works. That is the works that we have to undertake as a result of tropical cyclones. Effectively, what we have done there is we have used that line item as a contribution to the 25 per cent that we need to provide to that reconstruction work. As the member will know, we have the longest state controlled network of any Australian state or territory—we have 33,353 kilometres of road—and we have a well-developed asset management process which assesses on the highest priority needs and maintains the safety of the road network. We have a philosophy of run, maintain and build. So we have a continuous process of looking at the road maintenance and looking at what we have, and the QTRIP element of that particular line item does actually go up as we move forward on QTRIP.

Ms SIMPSON: Minister, could you please provide a list of the projects in that \$612 million that was referred to in the question on notice that have been deferred into this financial year from last year? Can you give a more detailed explanation as to the rollover?

Mr BAILEY: I am happy to take that on notice.

CHAIR: The minister will take that on notice.

Ms SIMPSON: Minister, I also refer to other projects that have been rolled over which were referred to in question on notice No. 10 to the Deputy Premier—the road projects worth about \$64 million. Could you also provide an explanation against those individual projects as to why they have been deferred for funding into this financial year?

Mr BAILEY: You could appreciate the amount of projects that are in the department. There are a huge number of them. If you are asking me to recall every line item of specific projects, I think you are asking a little bit too much. But can I say—

Ms SIMPSON: I would be happy for you to take that on notice in respect of the details of those.

Mr BAILEY: Certainly when it comes to deferrals, the cuts to road funding under the previous government under the TIDS program as well as under QTRIP have certainly put roads back in this state over the last three years. As I moved around the state—

Ms SIMPSON: Minister, I would be happy for you to take that on notice. Your colleague Jackie Trad outlined what the projects were, but we do not actually know the reasons for the rollover into this financial year for some \$64 million worth of road projects.

Mr BAILEY: I am happy to take that on notice.

CHAIR: With that, we will move on to government questions.

Mr BROWN: I refer the minister to page 1 of the SDS where it summarises your portfolio responsibilities. What expenses have you incurred in your Department of Transport and Main Roads to refurbish your office since taking up these responsibilities?

Mr BAILEY: I certainly would recount to the committee my experience on my first day as the minister walking into the office—an office I had previously worked in, in fact, three years before. I was astonished at the level of damage on the wall in the minister's office. It looked like a factory wall rather than the office of a white-collar worker in town. I am certainly happy to table these photos, but I found 27 hooks and screws and damage in the wall. I have been advised that the former minister, the member for Indooroopilly, had the wall covered in pictures of himself with other people, but he left an

extraordinary level of damage on the wall that required \$1,400 worth of work. I imagine that if this sort of damage was done in a domestic house you would not get your bond back. When it comes to interior design, I am afraid that I have to say to the member for Indooroopilly that this is a big fail. But once again—

Mr MOLHOEK: Point of order, Mr Chair. I fail to see what this has to do with the budget.

Mr BROWN: Expenditure on the office.

CHAIR: It is expenditure to do the repairs, I believe, member for Southport. There is no point of order.

Mr BAILEY: I am referring to the expenditure of government funds.

Mr MOLHOEK: I can talk about the mess that the previous Labor member left my office in.

CHAIR: Can you cease interjecting.

Mr BAILEY: I am speaking about the expenditure of public funds—the necessary expenditure of \$1,400 of public funds—to repair the ministerial office in the Transport and Main Roads building because we had a trophy wall from the former minister for transport which left these divots and hooks all over the place. If he had wanted to hang up lots of pictures of himself with other people, he could easily have gone down to Bunnings. My research shows that \$38.94 would have bought him about 30 hooks that stick on the wall. They do not damage a wall and they do not require repair by taxpayer funds.

Mr MOLHOEK: Point of order. There is no evidence to suggest that they were even hooks that were there as a legacy of the previous minister. They may well have been there from previous times.

Mr BAILEY: I am happy to take the interjection, Mr Chair. My previous job before the state election was as a senior policy adviser to the previous minister for transport, now Premier. When I last saw the wall before that election it had only one hanging on it. It was very neat and presentable. It certainly did not have 27 hooks, screws and divots all over it. I am happy to table the pictures that I took of this damage. We eventually got it repaired.

Mr MOLHOEK: I do not think there is any need to do that.

Mr BAILEY: Thank you for that interjection, member for Southport. I can certainly attest that these were not there when I left the office three years ago.

CHAIR: No, we are not going to table them. Thank you, Minister.

Mr WHITING: My question regards page 7 of the SDS. Could the minister please elaborate on the relationship with the federal government with regard to the effective delivery of road infrastructure?

Mr BAILEY: I thank the member for Murrumba for his question. There have been some commitments from the federal government for some road projects in Queensland, which has been good to see, but we have also seen some particular problems in terms of the network here in Queensland for which we would like to see much stronger support from the federal government. In particular, the Ipswich Motorway is an important part of the freight network. It takes 12,000 freight movements a day as part of 93,000 movements a day. Anybody who has come into Brisbane along the Warrego knows that during the morning peak hour it is an absolute car park out there. We have a fantastic motorway from Darra to Ipswich and beyond and we are also investing a considerable amount of money in the Warrego. We have a stopper in the system, a blockage, between Darra and Rocklea where the two-laning means that the whole thing grinds to a halt. We have had money on the table to deal with this and, unfortunately, the federal government has a very clear policy about funding national road projects to an 80-20 split—they are very resistant to giving anything to public transport, but they are very clear about 80-20. They do 80-20 when it comes to the Bruce Highway. They do 80-20 on Cape York. They do 80-20 on the Warrego. They do 80-20 on the Gateway Arterial North upgrade. They do 80-20 on the Toowoomba second range, but apparently on the Ipswich Motorway, a crucial part of the freight network for South-East Queensland, different rules apply. In fact, they delisted the Ipswich Motorway from the national land transport network only a few months ago as part of running away from their responsibilities in terms of this sector of South-East Queensland.

I do call on the federal government to reassess their attitude towards the Ipswich Motorway. We just want the Ipswich Motorway to be treated in a similar way to other roads of national significance in Queensland. It is a very important part of our economy in South-East Queensland. In this sector you have the Archerfield Airport, the Brisbane Markets and a heavy industrial area around there. This is a very important jobs generator and economic generator and yet during both the morning and afternoon

peaks, because there are only two lanes from Rocklea to Darra, there is a missing link in this system. The federal government had offered \$279 million as a 50-50 arrangement, in total contradiction to their own policy, and now they have withdrawn that. The federal government is renegeing on its responsibility to the South-East Queensland economy, the people of Ipswich and the people of southern Brisbane. I urge them to reconsider and to give that part of the network the same kind of attention they are giving elsewhere in Queensland.

Mr WHITING: In a similar vein I have a number of questions that are mostly directed to the director-general. I refer to Budget Paper No. 3 at page 113 and the SDS at page 14. The Rothwell station is one of the six new stations being built as part of the Moreton Bay Rail Link project. That will be strategically located along the rail corridor and that will service our growing communities in Deception Bay, Rothwell and Mango Hill. It will have 600 car parks. We think it will be one of the busiest stations along the rail corridor. My first question to the DG is in relation to the Rothwell roundabout, which already operates under heavy congestion during peak periods. My constituents in the electorate of Murrumba are telling me that they experience significant delays. Can you outline the need to upgrade the Rothwell roundabout to address the safety and efficiency issues for commuters trying to access this new station?

Mr Scales: I thank the member for the question. I am very familiar with that roundabout. It straddles Anzac Avenue and Deception Bay Road. There is approximately 9,000 movements a day during the am peak and pm peak. During construction of the Moreton Bay rail project we had to make another access road. We have Finnegan Street and an additional alternative access was identified through Gynther Road to address community concerns. Traffic modelling predicts additional access will have safety impacts on Anzac Avenue within a five-year time frame as volumes inevitably increase and people access the Rothwell station. So there is a pressing need to do something with that roundabout.

All levels of government agreed early in 2014 that funding for the essential upgrade of the Rothwell roundabout will be sourced from savings within the Moreton Bay rail project. This would allow construction to be carried out by the existing MBR contractor which would fast-track delivery. The additional access that we have, as the member will be aware, at Gynther Road would be a safer option. However, the federal government did not provide confirmation of the agreement for the required upgrade, because we have funded that from the three levels of government in the same proportions that Moreton Bay rail project is being constructed. The minister wrote to the Deputy Prime Minister asking for funding because the effects on the roundabout would be exacerbated by the Moreton Bay Rail Link as a project. Subsequently, on 1 April 2015, the Deputy Prime Minister wrote to advise that he would not support the upgrade to the Rothwell roundabout. This means that we have additional access to the station, but the roundabout will need some attention. The department is looking at alternatives and we have an alternative that would stop any weaving movements into Finnegan Street, which we have a solution for. The minister recently met the Deputy Prime Minister, Warren Truss, and he raised this matter on our behalf. Because I was not party to those discussions, maybe the minister could outline how he made progress, if any, with the DPM.

Mr BAILEY: I have had a number of meetings with the Deputy Prime Minister about federal funding. We have certainly raised this and put our points of view in terms of the funding of the Ipswich Motorway and also the M1, where a business case is required for us as a precursor to upgrading a number of sections of it, particularly at the Gateway merge and the six-laning down the southern end of the M1. So far we have not had an 80-20 commitment from the federal government on the M1, but only 50-50. Once again, they are redrawing the rules differently to how they apply them elsewhere. I know it is 80-20 on the M1 in New South Wales. We just want the same treatment in Queensland.

I also raised with the Deputy Prime Minister the issue of the Ipswich Motorway. They are not interested in 80-20. Sadly, they had pulled the \$37 million from the Rothwell roundabout, which had been previously committed. Clearly, with a major piece of infrastructure, being the Moreton Bay Rail Link, that will drastically change some of the demand for road usage around the area—I think there is a 600-space car park going into the Rothwell station. Clearly, there will be a lot of toing and froing at that station and it is going to have a major impact. There should be that contribution from them. I do urge them to reconsider and treat Queensland fairly.

Mr Scales: I just want to read into the record that the all-up solution would cost \$37.5 million we estimate. We could actually introduce a more reasonable option at \$9 million. So we have a solution, but we are really wanting to get the federal agency to contribute to this.

Mr WHITING: Just to clarify, Director-General, what you are saying is there was an in-principle agreement between all levels of government that the Rothwell roundabout would be upgraded from savings from the Moreton Bay Rail Link project. We have the cost for that; you said \$37 million approximately. It is a matter of public record that, as part of the 2014-15 federal budget, the Abbott government removed \$159 million from the Moreton Bay Rail Link project. Can you advise where those funds are currently held?

Mr Scales: The savings that the federal government made are now in the contingency budget for Queensland. They have been removed from that project but moved into contingency. That contingency can only be accessed by the Deputy Prime Minister authorising it to be done so.

Mr WHITING: So the Deputy Prime Minister has control of that money that has been saved by all levels of government in this particular project?

Mr Scales: They are part of the saving.

Mr WHITING: Thank you for letting me pursue this because I find it very interesting that the Abbott government has decided to retain all of the savings from the project leaving nothing for us to undertake this quite crucial project on the Rothwell roundabout. Just to confirm, minister, you said that you had written to the Deputy Prime Minister about this issue?

Mr BAILEY: I can advise the honourable member that I had sought formal agreement to partly fund the Rothwell roundabout from the Queensland contingency reserve. As I said, I trusted that his government would take the opportunity to address safety and efficiency issues that had been raised to ensure the rail line was a success from the day it opened. Certainly it has been my strong desire that a new signalised intersection be completed in time. It simply makes sense that they be done at the same time and in sync. It is very unfortunate that the mismanagement of this issue by the previous government and the federal government has resulted in this unfortunate scenario. The Deputy Prime Minister responded on 13 April to me advising that, although he appreciated the upgrade would have local benefit, he was not convinced the project was of national significance or within the scope of the Moreton Bay Rail Link. That absolutely contradicted the previous commitments by previous federal governments. I think it is important that, when governments change, those previous commitments are honoured and in this case they have not been. I think that is going to have a real impact on your constituency around the Rothwell roundabout and surrounding suburbs.

CHAIR: We will now move back to non-government questions. I call the member for Maroochydore.

Ms SIMPSON: Minister, in the SDS at page 3 it talks about partnering with industry. However, industry is bleeding. There has been an 11 per cent construction slump in Queensland, according to the ABS June quarterly figures and industry is calling on government to stop reviewing the previous government's programs and start stimulating the economy. When are you going to come out of limbo land and actually do something?

Mr BAILEY: I thank the honourable member for her question. If she is interested in reviews, of course, her government had 76 reviews over the last three years. When it comes to reviews, I am afraid we cannot get anywhere near that. I also say in terms of infrastructure what we have seen in the last three years is—

Ms SIMPSON: Minister, I remind you that you have had 55 under your government in the last seven months. What is your plan and when are you going to release—

Mr BAILEY: Sorry, I am answering the question here. You asked the question—

CHAIR: Member for Maroochydore, order! Can you please let the minister answer the question.

Mr BAILEY: I am happy to take a follow-up question, but if I could complete the answer that would be polite. In terms of infrastructure, I can absolutely confirm that the previous government's infrastructure priorities were more about their \$2.6 billion tower of power that is up to the 38th floor right next to this building. They diverted funds from Queensland roads, from QTRIP—\$600 million to pay for that skyscraper. I have had mayors complaining to me everywhere I go about your cuts to road funding right throughout Queensland. I went to a Brisbane breakfast in the first couple of months of being a minister—

Ms SIMPSON: What is your plan? You have done nothing for seven months.

Mr BAILEY: I am answering the question.

Ms SIMPSON: When are you going to release your plan about what you are going to do?

CHAIR: Member for Maroochydore, could you please stop interjecting.

Mr BAILEY: In terms of infrastructure—I am certainly specifically answering the question here—I went to a breakfast of the Queensland Major Contractors Association at the convention centre in the first couple of months as a minister where they outlined to me the problem that their industry is facing as a result of the previous government. They outlined how infrastructure investment in Queensland had dropped off 24 per cent that financial year and they were projecting a 54 per cent drop-off based on the previous government's figures. What we have seen is the previous government prioritised a whole ideological agenda about selling off our assets and let infrastructure fall in a deep hole and industry—

Ms SIMPSON: Mr Chair, we still have not heard the plan of this minister after seven months.

Mr BAILEY: You are interrupting me once again.

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

Ms SIMPSON: Yes, my point of order is I would like the minister to answer the question about what his plan is going forward. All we hear is him bagging the previous government and defending why they are reviewing decisions. We have not yet seen what his plan is in relation to—

CHAIR: That is not a point of order. Can we let the minister continue to answer the question, please?

Mr BAILEY: I certainly will speak about our positive plans. I think it is very important that we acknowledge what we inherit as a new government, and that has certainly been the fact that the infrastructure industry have been telling me and other ministers about their great fears about the loss of skills and workers as infrastructure has fallen off because of the underinvestment by the previous government.

In terms of our government's investment positive plans, they are clearly in this budget. I will outline a range of new measures that are unique to this new Palaszczuk government. The \$40 western roads package will be a very good investment into western and north-western Queensland. We have a \$60 million increase to TIDS funding to work with local governments fifty-fifty for local road projects right across the state. On average that is about a 92 per cent increase, and we have brought it forward a year. We have exceeded our election commitment by 12 months. Additionally, we have invested \$47 million in the exit 54 project, which is something that the previous government could not get going for three years. Increasing capacity across the M1 is a necessary precursor to more than \$1 billion worth of investment into the Coomera town centre. We are working with the private sector and the federal government is even throwing in \$10 million. We made that decision within a month or two of becoming the new government after three years of inaction by the previous government.

We are also investing an extra \$37 million in cycling infrastructure across the state, something that the previous minister for transport and main roads described as gold plating, when in fact there has been a massive surge in cycling in our state over the last 10 years. We have also seen an investment of \$28 million in the Vines Creek bridges project, which is a very big boost to productivity in Mackay and the surrounding region. We have the \$480,000 project at Roma and Morven, as I outlined earlier, which is helping those agricultural industries. These are industries that are in safe conservative areas. These are projects that could have been done at any time in the last three years, and they were not. We have a \$160 million road package on the Gold Coast with the Commonwealth Games. We have smaller road safety packages; for example, outside St Helens State School at Maryborough. We are investing \$55 million to upgrade berth 4 at the Port of Townsville—the port you were going to sell off, I might add, under the previous government—

Ms SIMPSON: With respect to page 5 of Budget Paper No. 4, there is about \$140 million that you have cut—

Mr BAILEY: I have not completed my answer.

CHAIR: Order! Member for Maroochydore, could you please wait for the minister to finish his answer before you ask your question.

Mr BAILEY: I will sum up my answer now.

Ms SIMPSON: My question is with respect to—

CHAIR: The minister is still answering your previous question, member for Maroochydore. Could you please wait.

Mr BAILEY: I am just finishing my answer now, but I certainly would appreciate not being interrupted by the member. We are also investing \$55 million to upgrade berth 4 at the Port of Townsville. This will see throughput at the Port of Townsville increase by 20 per cent when it is completed and it will double the capacity of that berth. This is a major expansion of the supply chain and the North Queensland economy. That is something that may well not have happened if asset sales had gone ahead under your government and the port had been sold off.

Ms SIMPSON: Minister, I refer to an earlier question about \$660 million being rolled over from last year's budget to this year's budget. We are awaiting the answer to what those projects are and why. With regard to page 5 of Budget Paper No. 4 where about \$140 million has been 'reprioritised' over four years, could you please outline a list what of these cuts are?

Mr BAILEY: Can you tell me what your reference is?

Ms SIMPSON: Page 5, where \$139.3 million has been 'reprioritised'. That is a euphemism for 'cut'.

Mr BAILEY: There have not been cuts in this budget. Reprioritisation measures happen for all number of reasons. The adjustments in this budget relate more to the fact that a lot of our natural disaster construction is wrapping up and there have been some efficiencies. I am happy to ask my director-general to provide you with a bit more of the technical detail in response to that—

Ms SIMPSON: If I could have a detailed breakdown of the \$140 million?

Mr BAILEY: Just to complete my answer, your insinuation that there are cuts to this roads budget is incorrect, because there has been an increase in state funding—

Ms SIMPSON: What is the \$140 million—

CHAIR: Member for Maroochydore, please cease your interjections.

Ms SIMPSON: My question is really specific about—

Mr BAILEY: I am trying to answer the question and I am continually interrupted.

CHAIR: Yes. Member for Maroochydore, would you please stop your interjections. We will have plenty of time to ask questions.

Mr BAILEY: I might have been only here seven months and not since 1992, but I do know the standing orders. The budget outlines an additional \$111 million in terms of funding for roads through QTRIP in terms of the state contribution. The imputation in the question that there have been cuts is incorrect, but I am happy for my director-general to add to my answer.

Mr Scales: We have made savings in the department in a number of areas: reduction in contractors and consultants; replacing contractors with public servants; reducing vacant and funding full-time-equivalent positions; and reduction in travel. There are a lot of other things, but we have been really efficient in what we have been doing in the capital part of the budget. We have been assisted in that regard by the fact that it is a really soft market, so we have been getting some excellent prices and we have been reinvesting the savings.

Ms SIMPSON: I would appreciate it if we could have a breakdown of what that \$140 million relates to. I am happy to take that on notice.

CHAIR: Minister, are you happy to take that on notice?

Mr BAILEY: Yes.

Ms SIMPSON: You talk about the soft market. My question is to the DG specifically regarding page 40 of the SDS and RoadTek. Are there any plans for RoadTek to compete against the private civil construction industry in the South-East Queensland market?

Mr Scales: That would be a matter of policy for the minister.

Ms SIMPSON: Is it the policy of the government for the government to go out there and compete against the civil construction industry in South-East Queensland?

Mr BAILEY: I am very, very happy to answer that question, I can assure you—

Ms SIMPSON: Given that it is a particularly soft industry where people are currently being sacked.

CHAIR: Member for Maroochydore, would you please let the minister answer the question now?

Mr BAILEY: I thank the member for Maroochydore for her question. What I can outline to the honourable member is that the previous contract that was administered for road maintenance in South-East Queensland by the previous minister, the member for Indooroopilly, was a spectacular failure in the sense that the private firm that had the contract was not able to deliver the level of service

that was expected by us as a department and they were unable to make a profit out of it. We are absorbing the maintenance of the road network in South-East Queensland into a new contract with RoadTek because they do it better and they are able to maintain high standards. I have a clip here somewhere of the former minister proclaiming what a great initiative this is, but in actual fact the private provider was very keen to get out of the contract because it was not a money maker for them. Of course we are not going to leave our road system in the lurch. We are going to make sure that work is done, and we are going to make sure it is done extremely well.

Can I say a big thank you to all of our RoadTek workers; they do a fantastic job. We will be making sure they do that work and that our road system is looked after. The RoadTek crews were slashed terribly, from about 1,800 down to 1,050 under the previous government—

Ms SIMPSON: Minister, I draw you to the question—

Mr BAILEY: If you would just let me complete the answer—

Ms SIMPSON: You have just indicated a policy issue—

CHAIR: Order! Member for Maroochydore, you are a former Speaker of the House. You know the rules. I can understand that when you were performing that role you may have had interjections. Please do not interject with me as well. Please let the minister answer the question.

Mr BAILEY: Thank you, Mr Chair. I am clearly responding to the question in terms of RoadTek and maintenance in South-East Queensland—

Ms SIMPSON: With respect, Mr Chair, it was broader than that—

CHAIR: Member for Maroochydore, please!

Mr BAILEY: RoadTek lost a lot of staff in the sackings of 24,000 public servants by the previous government. I think they lost about 700 or 750 staff. They were gutted and they did not deserve that. They do very good work on our roads. The privatisation of this contract has been a spectacular failure for the member for Indooroopilly. There is an ideological agenda here that is not based in reality. The reality was that the private sector could not do the job, in the end did not want to do the job and put their resources elsewhere. You can push your private sector—

Ms SIMPSON: Minister, I draw your attention to the question about whether there are plans for RoadTek to compete against the private civil construction industry in the South-East Queensland market. That is across a range of projects. Your DG has said that is a policy issue. Is it a policy issue of your government to build RoadTek up into competing with the private sector, where there is currently significant capacity in the South-East Queensland corner?

CHAIR: Now can you please allow the minister to answer that question?

Ms SIMPSON: I would be delighted if he actually answered that question.

Mr BAILEY: I have absolute faith in our RoadTek branch and in their skill. I am happy to ask my director-general to make some comments here in terms of RoadTek's role. Obviously there are a whole range of contracts there. RoadTek play a very positive role, and I certainly refute any idea that they do not do a good job.

Mr Scales: I will just amplify a couple of points that the minister has made. The contract that RoadTek are now undertaking was the metro contract on road asset maintenance. There are three major elements to that. Grass cutting is a safety issue; there is also incident response. In the event of an accident or an incident on the road, RoadTek will deploy variable-message signing and crews to take care of that. A good example of that is earlier in the week when the crane went into the river. RoadTek crews were deployed on that. There is also patching of the pavement. Where we cannot actually resurface pavement in a heavily built-up area, RoadTek will undertake patching.

Ms SIMPSON: Director-General, with other civil works and contracts that come up in the south-east, do you envisage that RoadTek will be competing beyond maintenance and also undertaking other construction works in the competitive market?

Mr Scales: It is not my place to advocate, defend or canvass the merits of government policies or alternative policy options.

Ms SIMPSON: My question is to the minister. Is it the government's policy position to reinvest in RoadTek so they can compete against the private sector beyond just maintenance contracts in South-East Queensland?

Mr BAILEY: RoadTek do minor works on request; that is the nature of their business. In terms of RoadTek's role, we will respond to the needs of our road network as appropriate in terms of the effective expenditure of taxpayers' funds. That may differ, depending on what part of the state they are in. We will take that process on the evidence, but I have to say that RoadTek are a very efficient operation. They do a fantastic job, and I am very sad that you do not seem to share my view on that.

Ms SIMPSON: Minister, I take it that that is a yes, they will be reinvested in by government to go out and compete for contracts beyond maintenance.

Minister, I have a question with respect to the Peninsula Development Road. What are the terms and conditions of the agreement signed with the Cape York Land Council to enable work on the Peninsula Development Road to proceed? In the interests of transparency, will you please table it?

Mr BAILEY: I thank the honourable member for her question. I cannot recall verbatim what the contract is. I am happy to ask for some advice from my director-general.

Mr Scales: The peninsula development roadworks are part of a \$262 million package: \$210 million from the federal government and \$52 million from ourselves. We have put out to tender a part of that road, the main deviation, and another three minor pieces of work. We have negotiated an agreement with the Cape York Land Council. I cannot remember what the exact term is, but they say they represent all of the landowners and traditional owners on the cape so we are negotiating with the Cape York Land Council on that. We do not have an ILUA yet, but we have the ability to work on the road. I am pleased to let the committee know that the main deviation work has now begun.

Ms SIMPSON: Thank you, Director-General. Minister, are you aware of the distress a number of traditional owners have in that they do not believe they were consulted and they cannot see the terms of this agreement that has been signed? Will you give a commitment to release this agreement so everyone can be consulted and involved in this process to see this project delivered? They have not seen it, so not all of the traditional owners are on board because they have not been involved.

CHAIR: Member for Maroochydore, the committee cannot order the minister to table a document, if that is what you are asking.

Ms SIMPSON: I am asking him to table it. I did not order the minister to table it, or I do not believe I did anyway. Minister, this is about transparency. Will you release that agreement?

Mr BAILEY: I thank the honourable member for her question. In terms of that project, that is a joint project on very clear terms of agreement with the Commonwealth. It is actually an 80 per cent funded project by the Commonwealth and a 20 per cent funded project by the state, but we have various operations involved with it as well. You would be aware that that agreement occurred fairly recently and I would call on my DG to give you a bit more detailed information.

Ms SIMPSON: Can we have that agreement released? That would actually go a long way to addressing some of the concerns, I would hope, but there are traditional owners who have not seen it and do not know what is in it.

Mr Scales: I have done a lot of work up there personally. If you take Hope Vale council, they are now sealing as a part of a \$10 million part of that \$262 million contract—

Ms SIMPSON: With respect, that is not the agreement we are actually talking about. This is actually an agreement that has been signed with the Cape York Land Council and I, with respect, heard the DG say that the traditional owners had been consulted or words to that effect.

Mr BAILEY: Can I just say I am happy to—

Ms SIMPSON: I have talked to the traditional owners in the last few days—

CHAIR: Member for Maroochydore—

Ms SIMPSON:—and that in fact—

CHAIR: Member for Maroochydore, order!

Ms SIMPSON:—is not strictly the case.

CHAIR: Order!

Mr Scales: Can I just—

Mr BAILEY: I will just come in there. I am happy to examine the matter in terms of the appropriateness around procedure and get back to you, member for Maroochydore.

CHAIR: All right. Thank you, Minister, and thank you, Director-General. We will now move to questions from government members.

Mr WHITING: We were talking about the road maintenance contract in relation to RoadTek. Director-General, how much did it cost the state to administer this contract?

Mr Scales: I thank the honourable member for the question. There were actually three contracts that went out at the same time—north coast, south coast and metro region—so I cannot actually disaggregate the individual contract costs for the contract in the metro region that has been terminated by mutual consent. I can give you a figure for the total contract administration for those three contracts if it would help.

Mr WHITING: Yes.

Mr Scales: My memory says it is about \$1.6 million for the total contract administration and letting for those contracts in three areas with three different contractors for a period of 4½ years.

Mr WHITING: I appreciate that; thank you very much. Minister, with respect to page 111 of the Budget Paper No. 3 Capital Statement for 2015-16, could the minister please explain what the Palaszczuk government is doing to obtain federal funding for the M1, with those much needed upgrades having remained unfunded during the term of the previous government?

Mr BAILEY: I thank the honourable member for his question. I am very familiar with the importance of the M1 as an important part of our economic infrastructure in South-East Queensland, but of course it is a very important motorway for people coming into Brisbane where a lot of employment is in central Brisbane. A lot of people have to do that commute every day. There are a range of measures that need to be done. In terms of planning, if we are to upgrade parts of the M1 we need a business case developed and that costs about \$20 million because we are talking about a very extensive system from Mudgeeraba all the way up to the Gateway merge. I know the member for Springwood and other members in the vicinity have been advocating very strongly. I know the federal member Jim Chalmers and the members for Logan, Waterford and Woodridge have been advocating to me as well on this matter, because it affects all of their constituents. However, the problem is that there has been very little—next to no—federal support for the M1. The only investment in the M1 from the federal government that I am aware of is \$10 million as part of a \$74 million project down at exit 54 at Coomera. Last year the previous Newman government signed the 2014-15 to 2018-19 national partnership agreement which had absolutely no funding for the M1. I find that quite extraordinary. The level of traffic on there is up to 140,000 movements a day and yet we had the previous government not backing the M1 and not delivering on the M1. That is probably why they lost so many seats down there.

We also have the situation where the feds are not agreeing to fund the business case at 80-20 as they do elsewhere in the network such as the Gateway Arterial, Toowoomba and up on the Bruce Highway and a few other places as well. They really need to step up to the plate, because this is a major piece of national infrastructure. We just want Queensland to be treated the same way as other states like New South Wales where they are getting 80-20 funding from the federal government. Sadly, the federal budget in May again had absolutely no funding for the M1. So what we are seeing is a hole in the network where the federal government are not committed to this piece of infrastructure and the people on the south side of Brisbane are suffering as a result because of congestion and delays.

Anybody who has been through that Gateway merge often from midafternoon right through to peak hour knows exactly what I am talking about. I certainly call upon the federal government to work with the state government in terms of investing in the M1—an important piece of infrastructure. I thank the member for Springwood for his strong advocacy on behalf of his constituents. I know he has joined a bipartisan group to try to get funding out of the federal government and he is willing to do anything to get the resources needed to ensure that this piece of roadway gets the attention it deserves and, importantly, for it to keep up with growth and population growth, and that is not occurring. I might add that it is not just about the roadway; it is also about planning for the busway through there as well to make sure we have a balanced transport system.

Mr BROWN: Minister, I refer you to page 120 of Budget Paper No. 3. I do note that you are not so absorbed with your office and you actually want to get out on the road and travel Queensland, and in the first six months you have done extensive travel. Minister, can you explain how the Palaszczuk government is working with local governments to deliver better outcomes for local communities?

Mr BAILEY: Absolutely. I thank the honourable member for his question. Very early as the minister I attended a meeting of the north-west Queensland group of mayors in Hughenden and that was the first meeting where the dialogue with local government for me really began. They talked to me

a lot about the cuts to road funding by the previous government and how bitterly disappointed they were, and I might add that these were mayors from all kinds of political persuasions. Some of them were very much not on my side of politics, but boy were they disappointed by how they had been treated by the previous government and in particular the cuts to the TIDS program where there had been fifty-fifty local and state funding. That had been cut by about \$23 million by the member for Indooroopilly and the Newman LNP government. That relatively small program in the QTRIP allocations goes a long way in those communities, because you get 50 per cent additional funding from the councils and you sustain local workforces and workers. Those councils know those roads better than anybody and they know how to identify it and there is now a very clear process with those regional roads groups about prioritising best value for money and making sure the systems in those areas get the attention, but they just did not have the funds.

We have given the people of Queensland a commitment to restore TIDS funding, which we have done at \$30 million extra this year and next year. We said at the election that we would start at 2016-17 because we were being very careful, but given that we need jobs and we need to get things going now we have brought that forward by 12 months and I know that that has been incredibly well welcomed by local governments right throughout the state because it means on average about a 92 per cent increase in funding under the TIDS program. When I was out at the bush council's meeting at St George recently with local government mayors they were extremely happy to see TIDS restored and in fact enhanced by the Palaszczuk government because not only do they need it at the moment because of the cuts over the last three years but especially for those councils in drought affected areas every income really counts. That is very much deeply appreciated by them. We look forward to continuing to work in a really positive way with local government in a partnership to maximise outcomes for local communities.

Mr BROWN: Minister, I refer you to page 67 of Budget Paper No. 4 and also page 119 of Budget Paper No. 3. This is an area near and dear to my heart and I want to thank you for the removal of sunken wrecks in Tingalpa Creek and in Moreton Bay since your time as minister. Minister, can you please explain how the Palaszczuk government is keeping their commitments to boaties in Queensland?

Mr BAILEY: Absolutely. I thank the honourable member for his question and I certainly acknowledge his very strong advocacy in terms of sunken vessels in his area. There are a lot of boaties in his patch and of course one in 19 Queenslanders own a boat. It is a very important and popular pastime in our state with so much natural beauty and so many opportunities with so much coastline. The Palaszczuk government went to the last election with a very strong commitment to boost funding to the Marine Infrastructure Fund. That is funding for boat ramps and floating pontoons to make access to the water easier and safer for people, and we have done that. In fact, recently I was in the Whitsundays at the Cannonvale boat ramp with the mayor of Whitsunday and local government councillors. They were ecstatic to see \$2 million extra this year from the Palaszczuk government to expand the boat ramp there and access to what would have to be one of the most beautiful areas in Queensland. I was also at the Tingira boat ramp with the member for Cairns in Far North Queensland about two months ago where we are also doing work to increase access. There will be a substantial increase in funding for the Marine Infrastructure Fund. Wherever possible, this is good for local economies as well. At Cannonvale a Bowen company and a Queensland company, Jetty Specialist, got the contract. That is jobs. That is economic activity as well. We will also be doing an upgrade to the boat ramp at Karumba and I know that there is one that we are working on very soon at Weipa as well, so we will be working in Cape York with those communities.

Fortunately, we also saw a decrease in marine fatalities last year. That is very good news. Some of that safety messaging is really being adhered to by boaties. I just reiterate to all people who are out on the water: safety is absolutely paramount at every point. Everyone has to take responsibility in terms of boat safety as well as road safety. I look forward to working with the boatie community to make it safer in terms of our boat ramps and our floating pontoons. We are certainly implementing our election commitment which was substantially more than the other side of politics.

Mr BROWN: I refer you to Budget Paper No. 3 at page 110. Can the minister please explain what the Berth 4 project is in Townsville and the benefits it will provide in terms of port throughput and productivity?

Mr BAILEY: I thank the honourable member for his question. It was a great pleasure to be at the port of Townsville only about four to six weeks ago with the members for Thuringowa, Mundingburra and Townsville. Of course, the member for Mundingburra is also the minister responsible for North Queensland. We were there to announce a \$55 million upgrade to Berth 4 at the port of Townsville. This fantastic project will see an increase of export output through the port of up to 20 per cent and will

mean a new container berth. Because it is next to another berth and it will be integrated, we will see greater efficiency in terms of vessels coming in and accessing the port which will mean greater productivity, greater economic efficiency and a better supply chain.

This is really great news for the North Queensland economy. Of course, it is something that we can do because we kept the port in public hands. I think it is very important to note that the port would probably have been sold by now if we had not won the election. I know that the port people of Townsville strongly support their port staying in public hands and here we are investing only six months later in the port's viability to ensure jobs and economic activity in North Queensland.

When those opposite ask what we are doing, they need only look at a project like this that not only creates jobs—and 100 jobs, I might add, in Townsville—but also increases productivity. This is a major focus for me as the minister: where can we get the extra value out of our public expenditure? It has been a great pleasure for me as the minister to play a role in terms of putting public funds into value-adding, getting extra productivity out of projects. In this case, berth 4 will be able to receive Panamax size 4,500 20-foot equivalent unit vessels, improving the efficiency of container-handling operations. I know that it has been very well received and I look forward to the work being completed over the next year or two.

Mr WHITING: Minister, this question is regarding the road safety strategy and plan. I refer to question on notice No. 8 and the SDS at page 10. Could you please further describe the outcomes sought to be achieved through the two-year Road Safety Strategy and describe some of the key actions of the Road Safety Action Plan?

Mr BAILEY: Of course, as the first-ever Minister for Road Safety in Queensland, I take this role very seriously. This year we saw, sadly, one of the worst Easter road tolls since 1992 where we lost eight people, and then with the unprecedented rain event on 1 May we lost five people in floodwaters. I reiterate for people: if it's flooded, forget it. It is not about the level of water; it is often about the velocity of water coming across the roadway. It really is not worth the risk.

What we did in response to the terrible Easter weekend was to convene a forum of our stakeholders across the road safety network. I wanted to hear from them. I wanted to hear from the specialists about what they recommended we should prioritise in terms of reducing the road toll. Out of that forum I worked with the police minister very closely to work up our Road Safety Action Plan as well as our Road Safety Strategy, of which one had lapsed during the first year of the Newman government and had not actually been renewed. We were without a strategy for a number of years, which is a very sad state of affairs, I would have to say.

The new strategy prioritises hospitalisations as well as fatalities. Hospitalisations have been very persistent, unfortunately. It involves all members of the community. No matter what we do—and there are 57 different actions that we will implement as part of the action plan—we need the community to work with us to take responsibility every day and to contribute to road safety every time they get behind the wheel of a vehicle. The only way we are going to get the road toll down is by attacking it from all measures, so we will be doing things like, obviously, prioritising intersections and locations with high crash records. We will also be doing a whole range of other things such as overhauling our motorcycle licensing so that the skill and competency levels of motorcycle riders when they get out on the road are much higher. We will also be looking at safe system principles—safe roads, safe vehicles, safe drivers and safe speeds—from a holistic point of view.

We are also very ambitious about our targets. We want to see it well below 200 by the year 2020. What we see over time with fatalities is a jagged progression downward. At the moment we are above six. To give you an idea, the road toll started off the year below last year's and it has now bumped around. It has been up to 20; it is back to six. Of course, two years are never exactly the same, but to drive the road toll down we need to work at it from every aspect. We are doing that from an engineering point of view.

We are doing a very interesting program called CO-LAB. When we had the forum we found that there were a lot of experts but there were no young people. Young people make up 14 per cent of drivers, yet they make up 34 per cent of the fatalities. We have a program going called CO-LAB where we are working with young people from all over Queensland—including regional Queensland—on how we communicate and engage with them in a way that is relevant to them and their culture. We are working with them to see if we can have a specific youth strategy that will help us get that youth road toll down as well.

There are copies of the action plan and the strategy online. I certainly encourage everybody to look at them. I congratulate and thank all the stakeholders who have worked very well and so closely with the government on a whole range of reforms, including the double demerit points, which start on Tuesday, for repeated mobile phone use. I thank also the Queensland Police Service, which has been very good about enforcing those provisions and increasing it during Road Safety Week recently. I certainly commend our reforms. We will continue to work hard on these reforms to ensure our roads are as safe as they possibly can be.

CHAIR: Thank you, Minister. We will return to non-government questioning. The member for Maroochydore believed that the question regarding Cape York was taken on notice. That was not my understanding. Can we just clarify that?

Mr BAILEY: I said I was happy to investigate it. It is possible that I might need some legal advice, but I will certainly report back to you, member for Maroochydore.

Ms SIMPSON: Thank you. Minister, I refer to spending on the Bruce Highway but, specifically, I ask you what has been reprioritised? Can you provide us with a list of that in regard to the Bruce Highway in the latest QTRIP?

Mr BAILEY: Sorry, can you repeat that question?

Ms SIMPSON: Could we please have a list of the reprioritisation of projects on the Bruce Highway that have occurred since you became minister?

Mr BAILEY: The member would be aware that we are working very closely with the federal government on an \$8.5 billion upgrade to the Bruce Highway of which we contribute \$1.8 billion in a 10-year program. We are working very closely with them on a range of measures. I am not aware that there has been any change to that program, but I am happy to ask my director-general to comment on that.

Mr Scales: I am not aware that we have reprioritised anything. We have allocated the money, but the money stays at \$8.5 billion. It is just spread out over the total QTRIP length. So we have not actually reprioritised any individual projects. I can read out what projects we are doing, if that would help?

Ms SIMPSON: Really, it is whether there has been a change since the last QTRIP with respect to the prioritisation of projects for the Bruce Highway. That was specifically what I was after.

Mr Scales: We are still delivering Cooroy-Curra section A. That is a new four-lane highway between the Cooroy southern interchange and Sankeys Road. There is the Yeppen Floodplain upgrade, south of Rockhampton—

Ms SIMPSON: I am sorry to interrupt you, but I am really only seeking if there are changes, rather than a repetition of what is still current. So if you wish to take it on notice just to check whether there have been any changes in the time frames for delivery of those projects, that is what I am specifically seeking.

Mr BAILEY: I note the comment from the director-general. Certainly, as minister, I am not aware that there has been any reprioritisation and neither is he. We are absolutely committed to the Bruce Highway upgrades. In fact, we committed new money recently to a study in conjunction with the federal government north of the North Pine Bridge, which we are working with them on as well. I am aware that the Yeppen Floodplain bridge, going into Rockhampton, was opened months ahead of schedule. That is underway. I did a press conference with the Prime Minister and the Deputy Prime Minister on Cooroy-Curra in April or May. That is proceeding as well and we are working very closely with the Commonwealth on the Bruce and we will continue to do so.

Ms SIMPSON: Minister, following on from that, I have a question in regard to the SDS, pages 7 and 8, under the heading 'Transport Infrastructure Management and Delivery'. I refer to the high traffic volumes and accident rates in the vicinity of the Mooloolah River interchange.

Mr BAILEY: Sorry, what page are you referring to?

Ms SIMPSON: I am referring to the program of delivery of infrastructure, pages 7 and 8, but specifically to the high traffic volumes and accident rates in the vicinity of the Mooloolah River interchange. I seek leave to table a record of accidents on just one section, between the Sunshine Coast Motorway and the Nicklin Way, where there have been 57 hospitalisations, two deaths plus 48 additional cases requiring medical treatment and 99 incidents of property damage. My question is: as this is the main arterial access to the new Sunshine Coast university hospital, how many people will be hospitalised, injured or killed as a result of this arterial road until you have a plan to upgrade it?

Mr BROWN: Point of order. Hypothetical.

CHAIR: Member, you sought leave to table a document. Is leave granted? Leave is granted.

Mr BAILEY: Of course I am happy to look at the safety record of any specific road that any member proposes to me. Of course, there would have been a lot more road construction done in the last three years if there had not been a \$600 million cut to QTRIP under your government. So if there is any outstanding issue here, it surprises me that, as a member on the Sunshine Coast, this was not dealt with over the last three years. However, I understand that the road network for the Sunshine Coast university hospital is in good shape and I am happy to inform you—

Ms SIMPSON: Not the section I just mentioned, which is the arterial link.

Mr BAILEY: You talked about access to the Sunshine Coast university hospital.

Ms SIMPSON: And the arterial road, which is the primary way that people will go towards the Sunshine Coast hospital. There is a series of roads in the network. The major arterial, though, is the Mooloolah River interchange. It is a failing interchange and there is a high death rate and injury rate at that location. I am seeking your advice as to what your plan is to fix it.

Mr BAILEY: I am happy to look at, obviously, the document that you have tabled but I am also happy to inform you that my department is working to prioritise road upgrades and transport initiatives needed to support the access to the Sunshine Coast university hospital, which is due to open late next year. We are currently finalising planning for road upgrades in the local area to increase capacity to get people to and from the new hospital and to help relieve congestion along Nicklin Way.

We are also working on interim transport initiatives to get the most out of our existing infrastructure there. This includes giving priority to emergency vehicles at signalised intersections along Nicklin Way to improve response times and providing additional bus services. We are also acutely aware of the significant traffic pressures that the new hospital and health precinct will place on the road network there. We are committed to developing the best and most cost-effective planning solutions to allow these critical capacity upgrades to be delivered as soon as possible and we will prioritise future funding against other priorities across the state.

CHAIR: Thank you, Minister. Are you now in a position to answer any questions taken on notice earlier or clarify any statements made in the hearing?

Mr BAILEY: Yes, thank you, Mr Chair. It has come to my attention that there has been a media report quoting me as saying at this committee meeting that I would join a union within my portfolio responsibilities. Just in case there was any misconception, either in the reporting or in the recording, I clearly said that, as a supporter of trade unions, I will be joining a trade union not in the area of my portfolios. I just wanted to clarify that. I think there has been somewhere—I am not sure where—probably an understandable mistake, but I just wanted to clarify that matter before the committee.

CHAIR: Thank you. Are there any questions taken on notice that you would be able to answer now?

Mr BAILEY: Not at this stage, but can I also take this opportunity to thank all of our departmental officials who have assisted—

CHAIR: I was just going to throw to one more question. Member for Maroochydore, do you have another question?

Ms SIMPSON: Minister, in respect of the Bruce Highway and priorities of the Bruce Highway, do you agree with your colleague Treasurer Curtis Pitt that the money was being misspent on the Bruce Highway?

Mr BAILEY: I would want to see the full quote before I commented on such—

Ms SIMPSON: I would be happy to table that document, if I could seek leave to do that?

Mr BAILEY: I am happy to examine it. I have my suspicions, Mr Chair.

CHAIR: We will just have a look at it. The member seeks leave to table a document. It is a newspaper article.

Mr BAILEY: Mr Chair, I have not seen the newspaper article. I would want to read the entire newspaper article. But can I say that I know that the Treasurer and member for Mulgrave is absolutely committed to the Bruce Highway upgrades, as I am. I am not sure what particular angle the member for Maroochydore is attempting to take here, but the Palaszczuk government is absolutely committed

to the Bruce Highway upgrade. It is \$1.8 billion of state funding over 10 years. We are working closely with the Commonwealth. We have our differences with the Commonwealth, as you know, but on the Bruce Highway we work very closely together. It is a high priority. We will continue to do that. I am happy to have a look at the quote at some point, but I suspect that the member for Maroochydore may be misquoting the Treasurer.

Ms SIMPSON: Mr Chair, I am actually quoting what has been published, but my question to the minister is: how many projects are before the Portfolio Investment and Programming Division currently?

Mr BAILEY: I will ask my director-general to comment on that departmental matter more specifically.

Mr Scales: Do you mean across the whole of the QTRIP program over four years or just, say, an average of a year? There are about 1,400 projects a year over the life of the program, which is \$18.8 billion from the notes I have here. I do not have an exact number, but it is about 1,400 a year.

Ms SIMPSON: When Building Queensland finally kicks off and delivers its plan in six or seven months, how many projects do you envisage would be coming away from that particular section?

Mr BAILEY: Chair, I seek a ruling. That is clearly a hypothetical question and it is a policy question of government, not an administrative matter of the department.

CHAIR: Okay. Hypothetical question, member for Maroochydore.

Ms SIMPSON: With respect, it is about workload and it is about the jurisdictional issues.

CHAIR: Time has expired now, member for Maroochydore, thank you. The time allocated for the consideration of the estimates of expenditure in the portfolios of the Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply has expired. On behalf of the committee, Minister, I thank you, the director-general and officials for your attendance. The proof transcript will be available on the Hansard page of the parliament's website within two hours of the end of the hearing. The deadline for questions taken on notice and clarifying material is 12 noon on Tuesday, 1 September 2015. The committee will now adjourn, resuming at 2.30 pm to examine the estimates for the portfolio areas administered by the Minister for Housing and Public Works and Minister for Science and Innovation.

Mr BAILEY: Can I thank all departmental and parliamentary officials for all of their support of the estimates process. I know it is a very busy time of year. I thank them all for their contributions and thank you to the committee and my staff, of course, who have done a wonderful job.

CHAIR: Thank you.

Proceedings suspended from 1.32 pm to 2.30 pm

ESTIMATES—UTILITIES, SCIENCE AND INNOVATION COMMITTEE— HOUSING, PUBLIC WORKS, SCIENCE AND INNOVATION

In Attendance

Hon. LM Enoch, Minister for Housing and Public Works and Minister for Science and Innovation

Mr S Gay, Chief of Staff

Department of Housing and Public Works

Ms L Carroll, Director-General

Mr D Walker, Deputy Director-General, Housing Services

Ms D McLeod, Chief Finance Officer, Finance

Department of Science, Information Technology and Innovation

Mr J Merrick, Acting Director-General

Mr E Hill, Chief Change and Operations Officer

Mr A Mills, Queensland Government Chief Information Officer

Mr D Stower, Assistant Director-General, Strategic ICT Division

Queensland Building and Construction Commission

Ms K Lowe, Acting Commissioner



CHAIR: Good afternoon. I declare this session of the estimates for the Utilities, Science and Innovation Committee open. I would like to acknowledge the traditional owners of the land upon which our parliament stands. I am Shane King, the member for Kallangur and chair of this committee. Rob Molhoek, the member for Southport, is the deputy chair. The other committee members are: Don Brown, the member for Capalaba; Chris Whiting, the member for Murrumba, Jason Costigan, the member for Whitsunday; and Dale Last, the member for Burdekin.

The committee has also resolved that the following non-committee members be given leave to attend and ask questions during the hearing: Lawrence Springborg, Leader of the Opposition; John-Paul Langbroek, Deputy Leader of the Opposition; Jeff Seeney, member for Callide; Fiona Simpson, member for Maroochydore; Tim Nicholls, member for Clayfield; Andrew Powell, member for Glass House; John McVeigh, member for Toowoomba South; Tim Mander, member for Everton; and Scott Emerson, member for Indooroopilly.

We are here today to examine the proposed expenditure in the Appropriation Bill 2015 for the portfolio area of the Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply and Minister for Housing and Public Works and Minister for Science and Innovation. This afternoon we will consider the estimates for the portfolio areas administered by the Minister for Housing and Public Works and Minister for Science and Innovation. The proceedings today are lawful proceedings subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved that the whole of the proceedings of the committee may be broadcast in line with the condition for broadcasters and guidelines for camera operators, copies of which are available from one of the parliamentary attendants in the room. Today's hearing is also being broadcast live on the parliament's website. I offer a warm welcome to all those tuning in.

I would like to talk briefly about the rules for questioning at today's hearing. Committee members may put questions to the minister, director-general and chief executive officers. The minister, director-general or CEO may refer questions to advisers. We expect all those appearing today to provide full and honest answers to our questions. Anyone who is unable or unwilling to provide an answer should be prepared to state the reason. I remind members, however, that the departmental officials are not here today to give opinions on the merits or otherwise of policies of the government. That is the role of the minister. It is also important that questions and answers remain relevant and succinct. I intend to guide proceedings today so that relevant issues can be explored without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government

and non-government members of the committee. Where necessary I will remind ministers, directors-general, CEOs and their advisers their answers to a question should be finalised so that other issues can be examined. The deadline for any questions taken on notice and clarifying materials is 12 noon, Tuesday, 1 September 2015. Before we commence I ask that mobile phones be either switched off or turned to silent.

The first item for consideration is the proposed expenditure contained in the Appropriation Bill 2015 for the portfolio areas of the Minister for Housing and Public Works and Minister for Science and Innovation. We will examine the minister's portfolio areas of Housing and Public Works between 2.30 pm and 4.30 pm. We will then examine the minister's portfolio areas of Science, Information Technology and Innovation between 5 pm and 6 pm. On behalf of the committee I welcome the minister, the Hon. Leeanne Enoch, the director-general, officers of the department and entities and members of the public to the hearing. For the benefit of Hansard, I will ask advisers to identify themselves the first time they answer a question referred to them by the minister, the director-general or CEO.

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

That the proposed expenditure be agreed to.

Minister, would you like to make a brief opening statement? The committee has resolved you may make an opening statement of up to five minutes.

Ms ENOCH: Thank you, Chair, and thank you, members of the committee. As Minister for Science and Innovation I have responsibility for helping deliver a strong and sustainable future for Queensland—a future of growth, a future with high standards of living and a future with opportunities for all. But to successfully plan for the future you need a thorough understanding of the present—of where you are now. Which brings me to the other half of my portfolio: Housing and Public Works. There are few things more fundamental to a person's wellbeing than having a roof over their head. Delivering good outcomes in employment, education, health—all of these areas—is so much more difficult without addressing the basics, such as housing, first.

We are here today for a meeting of the estimates committee to examine the Appropriation Bill. We are considering figures in the millions and tens of millions of dollars and while we are doing that it can sometimes be easy to forget what that means. Each of those budget line items are dollars spent on facilities and services to assist Queenslanders, their families and their communities. That was something that was put to one side in recent years with a shift in the Department of Housing and Public Works to a focus on contracts and transactions rather than people. I am moving that focus back to where it should be and returning the department to its natural position as a human service. I am sure we will talk about some of the details shortly, but in general terms it is about remembering that each of those budget line items has a real impact on real people; that a policy change applied in isolation can push someone struggling with complex issues over the edge and into crisis; that procurement can drive employment and community development; and that for too many people the biggest question they are facing at the moment is where they are going to sleep tonight.

I am confident that both of my departments are delivering great outcomes for the Queensland community. The Department of Science, Information Technology and Innovation is helping deliver a strong economy for Queensland into the future. Key to that is the Palaszczuk government's Advance Queensland initiative. Advance Queensland is a four-year, \$180 million package focused on building a stronger and more diversified economy by creating the high-valued, knowledge based jobs we need now and for the future. It is a comprehensive suite of programs designed to build on our natural advantages, drive productivity improvements and support the new industries and businesses that will deliver jobs. Again I am sure we will talk about these further today, but there are three major funding programs under Advance Queensland: the \$50 million Best and Brightest Fund, the \$46 million Future Jobs Strategy and the Business Investment Attraction package for which my department has responsibility for \$36 million of the total funding of \$76 million. Advance Queensland will continue to build Queensland's reputation and capacity to conduct innovative research and development and, more importantly, to translate great ideas into real commercial and social outcomes for all.

CHAIR: Thank you, Minister. We will now commence questioning. I call the member for Southport.

Mr MOLHOEK: Minister, at the outset I want to ask, I guess, what is probably fundamentally the most important question in respect of housing. Over the previous two years our government reduced the public housing waiting list from 30,000 to just under 18,000. My question is simply: as at the end of last week, or the last reporting period, can you advise how many Queenslanders are there currently on the state's public housing waitlist?

Ms ENOCH: I thank the member for the question. At 30 June of this year there were 15,780 people registered for long-term social housing. That is on the housing register.

Mr MOLHOEK: I refer to page 9 of the SDS in relation to undertaking the disposal of general purpose residences no longer required by government as employee housing and ask: how many of the state's 3,196 government employee dwellings will be disposed of in the year 2015-16?

Ms ENOCH: I thank the member for the question. Can I just put in context that obviously, and I am sure the member will agree, rural, regional and remote communities deserve skilled employees to deliver government services. To attract and retain them we need to ensure that we have well maintained, quality, fit-for-purpose housing. So to answer your question, the sales estimate in the budget figure for 2015-16 is a total of \$12.5 million. The department has identified 45 residences for sale with an estimated value of \$12.5 million, as I have said. But this, member for Southport, is business as usual. This is what governments have done year in, year out. When we do not need housing anymore for a particular purpose then we will divest that property and purchase properties where we actually need it. I have got a great example of that at the moment. In Yarrabah, for instance, there is a duplex that had been formerly government employee housing. We have been able to move that property to the local council where they can use it for a different purpose. But that is what governments have always done. They have assessed the need, and in particular the need of particular regional and rural communities, for the kinds of services that they require and the way that we are able to attract the best possible employees to deliver those services.

Mr MOLHOEK: Minister, just continuing on that issue, you just indicated that the plan is to dispose of 45 residences. I would seek leave to table a document which actually details the proposed disposal of some 64 properties and 97 residences in the current year, inviting expressions of interest and basically putting out to market the sale of these residential dwellings and lands.

CHAIR: You do not need to seek leave. As a member of this committee you can table a document.

Mr MOLHOEK: I would like to table that.

Ms ENOCH: Thank you, Chair, I would like to examine that, obviously.

Mr MOLHOEK: Minister, can I ask first up, there seems to be a discrepancy between the figure that you indicated of 45 residences and the 97 that are indicated in here and the 64 properties that have been put out to market.

Ms ENOCH: I will need to examine the document that you have tabled.

CHAIR: Do you have another question, member for Southport, while they examine the document?

Mr MOLHOEK: Yes. While that document is being circulated, can I ask the minister specifically where the Labor government has sought a mandate for the sale of state assets? The disposal of these properties, you have indicated, total some \$12.5 million in proceeds. On my estimate there is about \$80 million of property for sale in this list. I am curious as to where you have received a mandate, given that both the Premier and the Deputy Premier have been on the public record criticising the former government for the disposal of property and describing that as asset sales.

Ms ENOCH: Again, for the member, this is business as usual. This is the business that government has been engaged in in the last government, in the government prior. It is the way that we manage our housing stock. It is the way that we manage government employee housing as well. We ensure that we have got the right mix of housing for the needs that are out there. So there will be times when we divest some properties for various reasons so that we can purchase or upgrade other properties to meet the needs that we are trying to meet.

Mr MOLHOEK: Minister, this is not just a few properties; this is more than double the number indicated in the budget papers. It is some \$80 million worth of property across the state, potentially.

Mr WHITING: Point of order, Chair. I think certainly the \$80 million is a hypothetical when we are talking about selling real estate in this market.

CHAIR: Yes. Could you please rephrase the question?

Mr MOLHOEK: It is a significant portfolio of property. There are 97 residences and 64 parcels of land being sold across the state.

Ms ENOCH: I can answer this, thank you, Chair. As would be normal practice, the department would advertise more properties than they would expect to sell. In the document that you have tabled it has 'up to' 64 surplus properties available for sale—up to 64. It would not be expected that all would be sold, as is indicated through my answer previously.

Mr MOLHOEK: Minister, can you outline if there is any other property proposed for sale in the forthcoming year that is not identified in this document or in the 45 that you identified within the SDS?

Ms ENOCH: In terms of government employee housing?

Mr MOLHOEK: Will there be any other property offered for sale in terms of employee housing in the year ahead?

Ms ENOCH: I will just confer with the department. Member for Southport, just to be clear again, this is obviously business as usual. It is what you would expect any government to do, managing a portfolio of this size in terms of housing. This list has been formulated and has been put out. Obviously, we will see what comes back from this in terms of the ability to sell properties that are of no use any further to government employees. At some point, the department may look again at assessing what properties are available for divestment and what is the need overall for government employees.

As I said, this is about making sure that we have the right fit-for-use properties that are of a standard such that we would expect any employee to be able to live in them. Making sure that we have that right mix might mean that we move out of properties from one area and into properties in another area.

Mr MOLHOEK: Director-General, I note that a significant number of these properties are actually in Indigenous communities across Queensland. Given that within the SDS you refer to your strategy on Indigenous communities, were any of these properties identified as being potential for transfer from employee housing to social housing in some of these communities?

Ms Carroll: As the minister has already indicated, with any of these particular properties we would look at whether there was a way to repurpose them first. We would talk to a local council et cetera and consider was that a reasonable thing? Is it something where the local Indigenous council is able to use the building for another purpose? We would consider all of those options as we went forward.

Mr MOLHOEK: Thank you. Minister, with the disposal of these properties does that mean there will be fewer houses available in some regions for government employees? If that is the case, what will be the cost of alternative employee housing in those areas if we dispose of some of these properties? What is the impact of that on the budget?

Ms ENOCH: As I have been saying, proceeds of sales are reinvested in acquisition or construction of new employee housing in areas of greatest need and the upgrade of existing housing to meet required standards and fit-out for purpose. In terms of those places where we have been able to assess the need, where the housing market is strong enough to support government employees then obviously there would be less need for government employee housing.

Mr MOLHOEK: Minister, does that mean that there will be a reduction in the number of houses that are available for police, nurses and teachers in some of these regions?

Ms ENOCH: Not necessarily. Departments, of course, are working closely with the Department of Housing and Public Works in terms of letting us know what their needs are for their employees. The housing that we make available and that we manage on their behalf is reflective of those needs.

Mr MOLHOEK: So there will not be less housing available for teachers and nurses in some of these regions?

Ms ENOCH: That would be determined through the negotiations with those agencies.

Mr MOLHOEK: Minister, I refer to the Logan Renewal Initiative. In the SDS on page 6 there is reference to the Logan Renewal Initiative project. Can you advise if any new development has been started by the proponent that was not started previously under the LNP government or has this project stalled?

Ms ENOCH: As a person who has, for the past four decades, lived on and off in Logan and as a child of parents who have lived in the same social housing property, or the old housing commission as we used to call it, for the past 41 years and with many family members and school friends who are in social housing in Logan, I know all too well the need for good housing in Logan. I also know that the people of Logan deserve to have a say in what kind of housing they have in their community.

The project that you refer to was signed off last year by the previous government. Just to give some context around this, it is the largest large scale transfer of stock in the whole country. The whole country is watching this particular project. Unfortunately, the former government did not engage or consult with any of the tenants who would be affected. Nearly 4,900 properties or thereabouts are part of this project. Before the actual contract was signed, as I understand it, tenants and local community organisations were not consulted with. After the contract was signed, one letter was sent to tenants to explain what was going to happen. Those tenants quite often have English as their second, third and sometimes fourth language; often they are tenants with complex needs. To not have engaged with them fully is a real issue around this project.

When I became the minister I became very aware that people had not been consulted or engaged around this particular project, which is a huge project—the largest of its kind in Australia. I have instructed the department to ensure we have full engagement and consultation with all those who will be affected by the transfer of the entire stock from our Logan housing service centre—the entire stock, yet not one person was consulted fully. My department now has commenced a thorough and intensive communication and engagement program to inform tenants, local support providers and other community members about the initiative, with a view to minimising impacts on all.

During the transition phase, extensive meetings with support providers, government agencies, non-government organisations, the Logan City Council and Logan state and federal members of parliament have been conducted. Other activities include stakeholders' information forums, tenant information sessions, doorknocking all households, use of interpreters, updating websites, distribution of letters, fact sheets in 13 languages, posters, flyers and newsletters. A focus of this engagement has been to explain how tenants will be assisted in applying to the Australian government for Commonwealth rental assistance, which is a fundamental part of this project.

As we progress with this project I want to ensure that we have covered all bases. This is a project that the whole country is watching. We have to get it right. Engaging people in the process so that people are not disadvantaged is an absolute priority for me.

Mr MANDER: Minister, you talk about further consultation with residents in the Logan area. What part of the Logan Renewal Initiative—that refers to the reduction of concentration of public housing, the renewal of public housing, the increased wrap-around services that would go to public housing tenants and the extra work that will go to local builders—do you think residents would be against?

Ms ENOCH: I do not think we are debating the actual quality of the project. There is merit in much of what has been proposed. What has been missing, however, is the consultation with the people who will be affected. We have people, as I said, with very complex needs, who do not have English as a first language, who have not been informed of this. We have them actually—

Mr MANDER: Minister, how will they be disadvantaged by the Logan Renewal Initiative?

Ms ENOCH: I am answering the question.

Mr MANDER: How will they be disadvantaged by the Logan Renewal Initiative?

CHAIR: Order! Member for Everton, please let the minister answer the question.

Ms ENOCH: As the member for Everton would know, every single person now will need to apply to the Commonwealth government for Commonwealth rent assistance. It is a fundamental part of the project. It is something that they do not currently have to do under social housing. It is a pretty longwinded process that they need to undertake and sometimes it can be complicated. With that many households and with that amount of complexity, we need to make sure that everybody understands what is going to happen next.

Mr MANDER: Minister, how long do you think the delay will be because of this extra consultation?

Ms ENOCH: Right now, as I have said, I have undertaken full consultation. I have asked the department to brief me on where that is all up to and what their recommendations are in terms of progressing to the next stage.

Mr MANDER: Minister, the Logan City Council and the people of Logan are crying out for this renewal project to commence. I think you need to be more definitive with regard to when the Logan Renewal Initiative will come into being, rather than this open-ended response, which is whenever you are happy with the consultation.

CHAIR: Is this a question?

Mr MANDER: Yes, it is. I think there needs to be a more definitive answer.

Ms ENOCH: I am happy to answer, Chair. I thank the member for his concern for the people of Logan, of whom I have been one for over 40 years. Many of the people you refer to are my own family and friends with whom I have grown up. I thank you for your attention and concern for them.

Mr MANDER: You are welcome.

Ms ENOCH: The go live on transfer will only occur once government is convinced that the community has been appropriately engaged and that the risks of this major transfer to our vulnerable tenants have been mitigated. Last week I had a conversation at a full meeting with the mayor of Logan City Council, with whom I have been in ongoing conversations in terms of this consultation and engagement concern that I have had. I have had the full support of the Logan City Council in terms of making sure that the Logan Renewal Initiative will be a fully integrated initiative for the people of Logan.

Mr MOLHOEK: Minister, I have a question for the CFO of the department. Can you tell us the cost of this engagement process and if there are any contract implications or costs as a result of the delay? What is the cost of the further consultation and are there any penalties or other costs that may result as a consequence of leaving it?

Ms ENOCH: Chair, is it possible to refer that question to the DG?

CHAIR: Yes, certainly.

Mr MOLHOEK: I am happy with that.

Ms Carroll: On the specific costs associated with the Logan renewal project, the internal costs within the department are things that we are absorbing within the normal departmental costs. Obviously, there is a team that has been working very hard over a significant period around this particular project. In terms of the funding associated with the Logan renewal project that actually goes to LCCH, \$3.5 million was set aside in 2014-15 for this transition period and certainly the Logan community housing is drawing down on that funding. We are in constant discussions with them about that particular funding.

Ms ENOCH: This very crucial part of any project of this size was missing under the last government. That is why funding has had to be expended now to ensure that every tenant and community organisations have been fully informed and engaged in this very large and very important project.

Mr WHITING: I refer to page 3 of the Department of Housing and Public Works SDS. It states that the department will undertake a full review of housing policies to ensure fairness. How will the review benefit Queenslanders?

Ms ENOCH: I thank the member for the question. As I said in my opening comments, social housing is about more than contracts and transactions; it is a human service. The way we deliver this service affects real people in real need. This is why during the state election the Palaszczuk government committed to review all social housing policies for fairness. The review of housing policies will benefit Queenslanders by ensuring that all applicants approaching the department for assistance are treated fairly by having their individual circumstances recognised and their needs respected.

The fairness review of housing policies will reflect a person centred human service approach with empathetic responses to achieve balanced outcomes for people. It will ensure a flexible approach allowing for local decision making based on individuals' circumstances and the specific needs of disadvantage, vulnerable and overrepresented groups—for example Aboriginal and Torres Strait Islander communities—clients with mental health issues or clients affected by domestic violence. It will ensure policies balance tenants' needs against the department's need to target limited resources to the most vulnerable Queenslanders. It will drive mutual obligation and responsibility of both housing providers and the people being assisted.

There are nine policy areas which have been raised by tenants, stakeholders and community members as having placed an unfair obligation on social housing tenants. These policies include: temporary absences from properties, antisocial behaviour—also known as the three strikes policy—the

numerous changes to how rent is calculated, and various changes to the eligibility criteria. There has been a lot of discussion and research concerning the operation of these policies both in the housing sector as well as the wider community. For example, the Queensland Council of Social Services welcomed the policy review. Earlier this month it wrote to me saying, 'Evidence suggests that changes to the rent assessment policy have had adverse consequences on public housing tenants.' On the matter of temporary absences, as the member is aware, we also made a commitment at the election to remove the intrusive elements of the previous government's policies. That work is underway as part of the broader fairness review. Amending these policies to have a more balanced, human approach will drive better outcomes for Queensland, particularly those more vulnerable people in our society.

Mr WHITING: I have friends in my electorate who live in social housing who would fully appreciate the review of those policies. Further to the issue of temporary absences, will the minister advise why it is important for housing tenants to be able to be absent from their properties for various periods of time?

Ms ENOCH: I thank the member for the question. We understand that there are times when households need to be absent from their properties for longer than four weeks and that some absences are often involuntary or unavoidable. That is why the Palaszczuk government committed upon election not only to review all social housing policies for fairness but also to remove the restrictive and intrusive elements of the previous government's policy. This policy required tenants to request permission to be away from their homes for longer than four weeks in an entire year.

Simply being a social housing tenant does not mean that you should be restricted in ability to live your life or to help others, particularly family members. As a responsible landlord, the department is meant to provide tenants with quiet enjoyment of their property. Restricting a person's freedom to attend to family matters or undertake a holiday from time to time is unfair and, quite frankly, unreasonable. Social housing tenants may need to be away from their property for periods of time, the same as any other Queenslanders.

There are many valid reasons for a tenant to be away from their property. Tenants may need to care for or visit an ill relative or to support family. They may need to travel to attend a significant life event such as the birth or death of a family member. They may need to seek medical treatment in a hospital. They may be seeking to improve their circumstances through work, training or study. All of these situations are a normal part of living.

There are also circumstances where a social housing tenant may be incarcerated for a short period of time. Allowing a period of absence means that on release they will not become another homeless statistic. Having a home to return to can reduce the possibility of reoffending, thereby releasing pressure on that acute end of our system. This government's review of social housing policies will help the state better balance its responsibilities to manage limited housing resources with the needs of social housing tenants. As I said, social housing should be viewed as a human service. The way we deliver this service affects real people and their lives.

Mr WHITING: I again refer to page 3 of the SDS and to the government's commitment to undertake this full review of housing policies to ensure fairness. Is the minister aware of any evidence around the negative impacts of the former LNP government's three strikes behaviour rule?

Ms ENOCH: As the member would be aware, the antisocial behaviour policy, the so-called three strikes policy, was introduced on 1 July 2013 by the previous government, its goal being to reduce and better respond to incidents of disruptive behaviour by public housing tenants. Unfortunately, the policy may not be achieving the intended outcomes and may in fact have unintended consequences. The Queensland Mental Health Commission's review of systemic issues for social housing clients with complex needs was tabled by the Minister for Health in the Queensland parliament on 30 June 2015. This report shows evidence that tenants with complex needs often fail to meet their tenancy obligations due to their lack of capacity to understand and adhere to the antisocial behaviour policy. When this occurs, these tenants are subject to one of a number of negative outcomes—homelessness, the justice system or sometimes being hospitalised.

The report demonstrates that tenants with complex needs should be assisted to overcome the behaviours that are putting their tenancies at risk. This needs to be done through the provision of the right supports at the right time at the right place, delivered via an integrated coordinated case management approach—an approach designed around principles for recovery and early intervention to provide better outcomes for people. I advise the committee that my department wrote to the Queensland Mental Health Commissioner on 14 August this year and advised the commissioner that it would accept or support all recommendations within the report and that it would seek appropriate funding as part of a traditional government budget process. I can also assure the committee that, while

a review of the antisocial behaviour will ensure fairness, the policy will continue to have zero tolerance for serious illegal or dangerous behaviour. The majority of our social housing tenants realise they have the same obligations and responsibilities as tenants in the private sector. We must ensure our tenants have the support they need to meet those obligations.

CHAIR: I refer to page 6 of the Department of Housing and Public Works SDS which describes the re-establishment of Queensland's Tenant Advice and Advocacy Service. What impact did the cancellation of this service have on tenants under the former government, and why was it important that it be re-established?

Ms ENOCH: I thank the chair for this very important question. When the former Tenant Advice and Advocacy Service Queensland was defunded in 2013, Queensland became the only state without an independent tenant advisory service. The previous government said that the Residential Tenancies Authority already provided services to tenants and, hence, the Tenant Advice and Advocacy Service was simply duplicating services. This was misleading. While the Residential Tenancies Authority provides information to tenants—and does this very well I might add—it must remain impartial in all matters. This means the RTA cannot provide advice or court support for a tenant in dispute with a landlord. Without access to independent advice, many tenants, particularly the state's most vulnerable tenants, have been unable to access information about their rights to understand their responsibilities under Queensland law. Lack of access to this advice and information means people are less likely to be able to sustain safe and appropriate accommodation. It also means that some residents are more likely to be evicted unnecessarily. Evictions may place people at risk of homelessness and may place an additional burden on other government funded support services such as crisis accommodation, specialist homelessness service and social housing.

The Queensland Association of Independent Legal Services, the peak body for community legal centres in Queensland, recently released a report into this matter. The report showed that 60 per cent of community services surveyed reported that their clients had not been able to achieve appropriate outcomes in relation to tenancy matters since the Tenant Advice and Advocacy Service ceased operation. The report also indicated that the lack of a funded tenant advice service in Queensland left many renters without the information they required to make informed decisions regarding their tenancy issues. James Farrell, Director of QAILS, said on release of the report, 'Our findings demonstrate that if a person can access free legal advice about tenancy issues, then it can prevent homelessness.'

During the election, the Palaszczuk government made a commitment to ensure this issue was addressed and has moved quickly to remedy this unacceptable situation. I am pleased to confirm that over the next four years \$26.4 million has been committed to this vital service. In 2015-16, \$6.6 million will see the re-establishment of tenant advice services across the state. Already, an interim telephone based tenant advisory service has begun operating from 1 June of this year through Tenants Queensland and Enhanced Care. Following that announcement, QAILS said in a media statement, 'This announcement shows that the government is committed to best practice in the area of early intervention tenancy advice.'

This service will continue to operate until the full, statewide Tenant Advice and Referral Service is implemented later this year. An open tender process to seek new service providers across the state has just closed, bringing us one step closer to ensuring vulnerable tenants have appropriate access to assistance. The new service will offer information, individual support and specialist advice to tenants throughout the state to assist in the resolution of tenancy issues. By the end of 2015-16, it is expected that approximately 40,000 households will have been assisted, increasing to an anticipated 70,000 in 2016-17. Based on the significant numbers of households we expect to be assisted, the investment of government funds will be highly cost efficient, with the average cost per household assisted being as low as \$90.

Mr BROWN: I refer to page 34 of the Department of Housing and Public Works SDS. Can the minister advise how her portfolio is creating jobs for Queensland?

Ms ENOCH: I thank the member for the question. The Palaszczuk government is committed to continuing to strengthen our economy in creating more jobs for Queenslanders. The Department of Housing and Public Works is helping to deliver the government's jobs strategy, Working Queensland, which aims to support job creation across the state. In particular, the department is improving employment outcomes through better procurement and contract management practices in the building, maintenance and construction industry. Across Queensland, the department is engaging in three procurement strategies to deliver benefits. These include: creating multiyear contracts, bundling

contracts based on geographical location, and bundling contracts based on like works. These strategies allow businesses to better plan ahead, and that certainty of work provides contractors the stability to employ workers and even to look at taking on apprentices.

Geographic bundling also supports the allocation of work to local contractors, supporting economic growth in rural and remote locations. Bundling of like works allows contractors to build local capacity and to develop economies of scale. This will not only result in better future pricing but also allow government agencies the opportunity to reinvest their savings and create further employment opportunities. The department has trialled multiyear geographic and like works aggregation of contracts as part of the Caboolture housing trial and has demonstrated cost benefits to customers and improved service delivery by local contractors.

Aboriginal and Torres Strait Islander councils are also benefitting. The department is working with them to support and upskill council staff in areas of procurement, planning and delivery of housing, maintenance works and upgrade programs. This can help to grow local businesses and improve economic outcomes. As part of the National Partnership Agreement on Remote Indigenous Housing program delivery, the department is supporting the Torres Strait Island Regional Council in the appointment of six new apprentices—an electrician, a painter, a plumber and three carpenters—to work on social housing dwellings across 11 communities over two years. The department is also looking at its internal structure to maximise job creation and improve employment in Queensland's communities. It is implementing a regional delivery business model that builds and supports remote and regional capability aimed at increasing local employment through programs of construction and maintenance works, procured and delivered on behalf of the government's customer agencies. The department is one of the key agencies across the government helping deliver the Working Queensland plan and will continue to create the confidence out in the community that we need for businesses to generate jobs.

In addition to the strategies listed above, the department is also looking at the benefits that could be generated from social procurement. The way we approach the purchasing of goods or services can lead to potentially positive social outcomes. Social procurement can deliver value for money in government contracts while also delivering better social outcomes and providing skilling and employment opportunities for Queenslanders.

The department held the 'Make a connection, make a difference' Social Procurement Forum and Market Day on 4 August. This event brought together more than 150 delegates from local and state government, industry, social and disability enterprises, and Aboriginal and Torres Strait Islander businesses. It helped to foster a shared understanding of socially responsible procurement, forge vital connections between government and industry, and improve the understanding of social procurement and how it can help better deliver social outcomes for Queensland. It was a really positive event, and I look forward to seeing similar market days held in regional Queensland to continue building the momentum of social procurement.

Mr BROWN: Minister, in regard to job creation—I refer you to pages 18, 36 and 44 of the SDS—how does this stack up against the previous government?

Ms ENOCH: The number of job cuts and the costs associated with those cuts in my department during the previous government's tenure are nothing short of extraordinary. During the term of the previous government, between June 2012 and 6 February 2015, the total number of staff employed by my department reduced by 2,491. Of those, a total of 1,416 staff accepted voluntary redundancies. I will not break down the departmental areas for each of those redundancies, but let me paint for the committee a general picture of the costs.

In 2013-14, 233 voluntary redundancies took place under the previous government at a cost to taxpayers of \$13.6 million. However, the greatest number of voluntary redundancies occurred in 2012-13, when the commercialised business units of QBuild and Project Services were amalgamated by the former government. There were 787 voluntary redundancies from that action alone, at a cost of \$45.9 million. However, over the entire term of the former LNP government, the full cost of redundancies in the Department of Housing and Public Works was \$84.7 million. This cost was incurred by taxpayers because of the axe the LNP took to the Public Service.

Mr LAST: Minister, I refer you to page 19 of the SDS regarding remote Indigenous housing. Can you advise the committee what the government's policy is regarding the use of local labour and contractors to assist with the construction of public housing in Indigenous communities?

Ms ENOCH: As I have said in my recent responses to questions from the other side, we are finding ways to bundle work to get a rolling program of works so that we can ensure local contractors are able to sustain their companies and work. In doing so, we then get a chance to look at the

possibilities for increased numbers of apprentices, particularly in remote communities. We have a relationship with Aboriginal and Torres Strait Islander community councils in particular, ensuring that the kinds of works we are able to deliver in those communities are in partnership with those councils.

Mr LAST: How will you ensure there is an enough scope of work that these apprentices can complete their apprenticeships and we do not have the case, as has happened in the past, where they may do six months or 12 months and then fall by the wayside?

Ms ENOCH: This is certainly one of the things that I have a great interest in. I am wanting to ensure we have that rolling program of works. It is an important way of doing business. That rolling program of works, as I said, will ensure we have the capacity to give longer term contracts to local contractors. Again, we hope that that will see the delivery of more apprentices into those areas and local tradespeople who can remain in those areas.

To give you further information, the department is addressing this issue that we have just been discussing through the Host Employer Program and in-house construction projects. The Host Employer Program allows apprentices to be temporarily placed with private contractors to gain the practical experience and training that will enable them to meet their competency and training requirements. However, as I have already said, we will be doing further work to ensure we have that rolling program of works.

Mr MANDER: Minister, how do you justify to the 15,780 law-abiding citizens on the public housing waiting list that you are about to return to a temporary absence policy which will allow a public housing property to remain vacant even if the tenant has been sent to jail for up to 12 months?

Ms ENOCH: I have obviously provided an answer that addressed a very similar question just a few questions ago. To be clear, social housing is about more than contracts and transactions; it is fundamentally a human service. As I have said previously, simply being a social housing tenant does not mean that you should be restricted from living your life or helping others in your family. What we heard under the previous government in terms of the four-week restriction on being absent from your property are stories such as—

Mr MANDER: I raise a point of order on relevance. I have asked a specific question about those who are sent to jail for a period of up to 12 months and keeping that property vacant. That is the question that I am asking that I want an answer to.

Ms ENOCH: That is a slightly different question. It is a question that suggests that somehow people would be absent for 12 months.

Mr MANDER: Again, the minister said before that they are reviewing the temporary absence policy and talking about the fact that it is a social policy, not just a transactional policy. The previous policy was that a public housing tenant could be sentenced to jail for up to 12 months and that property would remain vacant. The minister is giving every indication that they will be returning to that policy. How does she justify that to the thousands of law-abiding citizens on the public housing waiting list?

Ms ENOCH: There has been no suggestion that we are returning to any policy of that nature. All I have said—and it is a fair statement, I think—is that we are doing a review of policies. That review is still being undertaken and I will be able to advise the result of that when that review has been completed.

Mr MANDER: Minister, do you think it is appropriate that people in public housing can go on eight-month grey nomad holidays leaving their property vacant, which is what used to happen under the previous policy—

Mr WHITING: I raise a point of order. We are way into hypotheticals here.

Mr MANDER: We are talking about a review of the temporary absence policy.

Mr WHITING: Illustrated by a range of hypotheticals.

Mr MANDER: No, this is a direct question. Is it fair that people can go on grey nomad holidays for seven or eight months and leave their public housing property vacant when there are 15,000 people on the waiting list?

Ms ENOCH: I thank the member for the continuous hypotheticals. At no point today have I said that any of that would be happening. All I have said is that there is a review into this particular policy to ensure it is fair. Under the former government we saw elderly couples who had quite often saved for years and years to go on that one last holiday to see their families overseas—and it might have been a six-week holiday to go and see their families for the last time in their lives—being told, 'No. You can only go for four weeks. That is it. Otherwise you will not have a home to come back to.' All I am doing is ensuring that the policies that are put in place into the future are fair. That is all.

Mr MANDER: Minister, are you aware that the current policy does make concessions for people who are ill and people who need to have absences for educational purposes? Are you aware that those caveats and parameters are already in the current policy?

Ms ENOCH: As I have said, there is a review underway.

Mr MANDER: No. I am asking you a question, Minister. Are you aware that they are in the current policy?

Ms ENOCH: And, as I have said, right now the policies are being reviewed. They are being reviewed for fairness.

Mr MANDER: So you are not aware that those caveats are already in the current policy.

Ms ENOCH: I am answering the question.

CHAIR: Member, you are interjecting. The minister is answering the question. The minister may answer the question as she sees fit.

Mr MANDER: Not very well, Mr Chairman.

CHAIR: That is unwarranted, please. Do you have another question?

Mr MANDER: I do. Minister, can you tell me the current policy with regard to the review of rental increases of the previous government's policy? What is the maximum increase in rent per week that can take place because of the policy review that was undertaken by the previous LNP government?

Ms ENOCH: As I think I have made clear on several occasions now, there is a review of fairness in the policies. Currently the policies stand as they are.

Mr MANDER: And I am asking you, Minister, because your inference is that the current policy is unfair: what is the maximum weekly increase that can take place under the new policy brought in by the LNP government?

Ms ENOCH: I am happy to explain to you your previous policies, member for Everton. As I said, at no point have I said anything more than that we are reviewing all policies for fairness. I think you are referring to the application of a \$7.50 cap on rent increases. But, as we all know, that has not always been the case. That has been a very complicated policy that we have had to—and I am sure that, if we were to go back over a few other issues from that particular policy, there have been numerous occasions when the department has had to manually go in and fix things. I think that is what you are referring to—the \$7.50 cap?

Mr MANDER: That is correct, a reasonable amount that took into consideration the increases that there would have been had we not had that cap. So it was a very fair and reasonable policy. I think the member for Southport has a question.

CHAIR: Yes—after your statement.

Mr MOLHOEK: Minister, I refer to page 6 of the SDS and the statement—

- growing and renewing the social and affordable housing portfolio through construction and redevelopment projects, including partnerships with government, non-government and private organisations

What directions or briefing did you as the incoming minister receive in respect of the Gold Coast revitalisation project and why has there been no decision to proceed with this project in spite of the fact that the project had been endorsed by the department, had ministerial sign-off and was simply waiting for final sign-off by the DG on return from his leave?

Ms ENOCH: As we discussed at length earlier, the Logan City Community Housing or the Logan Renewal Initiative is the largest of its kind. It is a very ambitious project that the whole country is watching. I have had numerous meetings with the housing providers from the Gold Coast project that you discuss—in particular, a one-on-one meeting about the particular project that you are talking about. I have made it clear to them that right now we are pausing that project to make sure that, in terms of all works that happen under the Logan Renewal Initiative, we have seen all of the right gateways in place and that we have success in that project before we move to the next one.

Mr MOLHOEK: Minister, given that the current model for public housing is financially unstable, the question I have then is—

Mr WHITING: I raise a point of order—

CHAIR: There is a bit of an imputation there. Can you rephrase that?

Mr MOLHOEK: I withdraw that. Minister, in respect of both the Gold Coast and Logan, can you advise what are the next steps that you will undertake to deliver these programs? How do you intend to address the underoccupancy that we are seeing in those areas? How do you intend to go about right sizing the property portfolio to meet market demand? We are seeing a lot more single people in dwellings. We are seeing a lot of three-bedroom dwellings with only one person living there. We have this huge demand. So what are your plans to deliver housing, given that you have effectively killed these two projects off, when we still have a huge shortfall of public housing in South-East Queensland?

CHAIR: Member for Southport, that was rather lengthy. Could you rephrase the question?

Mr MOLHOEK: Okay. The question is simply this: what are the next steps that you will undertake to get these two projects back on track? More importantly, what extra housing can we expect to see delivered in South-East Queensland while we do another review of a review? And what are we doing about replacing the jobs that are lost through these two projects—

CHAIR: There are another three questions and an imputation there.

Mr MOLHOEK: Okay. I will return to the issue of underoccupancy and getting the programs delivered, for starters.

Ms ENOCH: There are about five questions there. I will start with the two projects that you refer to and my plans for those. As I have made really clear already, the Logan Renewal Initiative is a huge project that the rest of the country is watching very closely, and we need to get it right not just from a government perspective in terms of making sure that we have done all the right things but also making sure that the people of Logan, in particular, have been engaged in that process. As I have said, the previous government unfortunately missed that whole step in the development of that project before signing off on that project. They missed the whole step of engaging and consulting with the people who will be impacted by this—the tenants and the services that already exist in that community.

There are many things that we need to make sure are right before we go live in terms of the Logan Renewal Initiative, and there are many lessons that we need to learn in all of this. I do not want to see a rush into the Gold Coast project that will then see things go wrong for the people of the Gold Coast. There are things that we need to learn from the Logan Renewal Initiative, and we have already learnt that there was one thing missing, and that was consultation and engagement. When we have seen some outcomes and results from the Logan Renewal Initiative and we have learnt some lessons about the gateways we need to put in place for that project, then we will move on to the next if that is feasible.

Mr MOLHOEK: Minister, while you are reviewing this review and reconsulting on the consultation, how many new dwellings will we see delivered in South-East Queensland—in Logan and on the Gold Coast—to meet the current demand in social housing and affordable housing?

Ms ENOCH: I thank you for your follow-on question. In 2015-16 the department will expend \$394.5 million in capital funding, \$327.2 million in capital works and \$63.3 million in capital grants. This will add 529 dwellings to the social housing portfolio which includes 497 construction completions and 32 purchases, and it will include 219 in Indigenous communities. That funding that I have outlined will commence construction on at least 404 units of accommodation, including 74 in Indigenous communities. It will complete 8,691 upgrades, including 1,061 upgrades to dwellings in Indigenous communities. It will construct a facility in Cairns to provide specialist supported accommodation facilities for rough sleepers, and it will commence construction of a facility in Townsville also known as NRL House to support people from Indigenous communities to pursue employment, education and training opportunities.

Mr MOLHOEK: Minister, you have not quite answered my question. I know I am supposed to be more specific. The question was: of the 529 new dwellings in this year's budget, how many of those will we see on the Gold Coast and in Logan?

Ms ENOCH: For that kind of detail—that is an operational question—I will refer to the DG in a moment. I have just realised that I have said some numbers around the wrong way. I did say earlier that the capital grants would be \$63.3 million. It is actually \$67.3 million for 2015-16, for the purposes of *Hansard*. I will refer to the DG for some of the details on the properties for South-East Queensland.

Ms Carroll: Thank you, Minister. Through the minister, I might take that on notice because I do not have with me at the moment the detail of the breakdown of where those properties would be.

CHAIR: Are you happy to take that on notice?

Ms ENOCH: Yes, that would be my request.

CHAIR: We might move to government questions now. I call the member for Murrumba.

Mr WHITING: We are learning a lot here today. One of the things I think we learnt under the LNP was the new term 'right sizing'. I think that term will sometimes send a shudder of fear up the spine of Queenslanders.

CHAIR: Have you got a question?

Mr WHITING: Minister, pages 7 and 8 of the SDS refer to disability suitable accommodation. Could the minister advise whether her department is ready to assist Queensland recipients with housing modifications and accommodation following the commencement of the National Disability Insurance Scheme?

Ms ENOCH: I thank the member for the question. I am pleased to advise that my department has been working for some time to prepare for the National Disability Insurance Scheme. When the NDIS commences in Queensland, as part of our ongoing responsibilities my department will continue to fund home modifications for social housing tenants who are also scheme participants. However, some modifications that go beyond what we currently do may be funded by the scheme.

My department has been working with the Department of Communities, Child Safety and Disability Services to prepare for the implementation of the scheme. In particular, we have been working to understand the impacts on social housing applicants and tenants ahead of the scheme's implementation, and a range of policy issues are being developed to respond to potential increased demand. The department has a disability service plan and National Disability Insurance Scheme transition plan in place with actions and communication activities identified to prepare for the scheme's introduction.

The department has also been participating in whole-of-government NDIS working groups and national processes to assist in the development of the scheme and the associated housing policies. While some progress has been made towards addressing the outstanding housing policy issues, further work is needed. For example, we need resolution around the contribution of scheme funding to meet the demand from participants for specialised disability housing. To progress some of these pressing national policy issues, a national housing ministers meeting is being scheduled and I am looking forward to the opportunity of putting forward Queensland's case.

As the committee would be aware, Queensland has been playing catch-up on these issues because of the failure of the former LNP government to sign up for the NDIS trial site. The Palaszczuk government is committed to the scheme and is putting in place the resources and processes we need to make sure that it is a success. My department will work with the Department of Communities, Child Safety and Disability Services as this work progresses.

Mr WHITING: My next question refers to page 3 of the SDS regarding the re-establishment of a dedicated plumbing industry regulatory body. Can the minister update the committee on the progress of this body?

Ms ENOCH: I thank the member for the question. During the election we committed to restoring high standards in the plumbing industry by re-establishing a dedicated plumbing industry regulatory body. This regulatory body will be called the Service Trades Council, and progress with its establishment is well underway. This council will complement the structure and efficiencies of the Queensland Building and Construction Commission and be managed within their existing budget with a similar membership and functions to the disbanded plumbing industry council.

In progressing the establishment of this council, my department is undertaking consultation with key industry stakeholders including the Queensland Building and Construction Commission, the Plumbers Union Queensland, Master Plumbers' Association of Queensland and the Institute of Plumbing Inspectors Queensland. Feedback from these stakeholders fed into the development of a draft bill which recently concluded its five-week consultation period. Due to a number of legislative changes needed, the Service Trades Council is expected to be operational in early 2016. Meanwhile an interim Service Trades Council will be established to advise the Queensland Building and Construction Commission on licensing and disciplinary matters.

The plumbing industry plays a critical role in the public health of our community. As the Executive Director of the Master Plumbers' Association of Queensland, Penny Cornah, said earlier this year in relation to our first tranche of plumbing industry reforms—

The repeal of this section of the bill will restore high standards. The government should be congratulated on the delivery of their election commitment.

I thank the Master Plumbers' Association of Australia, Queensland branch for their support. I look forward to continuing to work with them and other key stakeholders on this important issue. Establishing the Service Trades Council will strengthen Queensland's building and construction industry. It is a vital industry for our state, creating jobs and helping to strengthen Queensland's diverse economy.

Mr BROWN: Minister, I refer you to page 3 of the SDS. I believe my seat of Capalaba is the capital for tradies in Queensland. Can the minister update the committee on what the government is doing to ensure security of payments for subcontractors?

Ms ENOCH: I thank the member for this very important question. The Palaszczuk government believes a fair day's work deserves a fair day's pay. That is one reason that before the election we made a commitment to provide increased security of payment for subcontractors and to consult widely on the matter. Security of payment for subcontractors is an issue right across the country, but it was highlighted locally in the 2013 collapse of Walton Construction. Reportedly, 600 subcontractors were owed \$30 million and many were left unable to operate. Understandably, this is a complex issue with a wide range of factors impacting on the payment process—for example, the financial positions of the parties involved, business behaviour and ethics, and funding arrangements. I am aware builders and subcontractors have quite different views on how these issues can best be addressed, and I am committed to achieving the best outcome for all parties.

Currently Queensland has some laws and policies that can help with payment including the Queensland Building and Construction Commission's minimum financial requirements policy, the Subcontractors' Charges Act and the Building and Construction Industry Payments Act. However, these measures are not a complete solution. My department is currently undertaking comprehensive research to determine what works and what does not, both in Australia and overseas. This analysis will guide the government in determining what approaches might be suitable for adoption in Queensland. As the Premier has made clear, the Palaszczuk government is a consultative government. I can assure Queenslanders that extensive consultation will take place before the government makes a final decision on this issue that affects so many hardworking Queenslanders.

CHAIR: Minister, could you please provide information about the bond loan program?

Ms ENOCH: I thank the member for the question. I look at housing as a continuum—from home ownership to the private and public rental system right through to crisis accommodation and homelessness. Throughout that continuum my department has different support services available to help Queenslanders at whatever stage they are at. The department offers a range of products that help people to access the private rental market or home ownership, diverting low- to moderate-income earners away from public housing.

One of these products is bond loans. Bond loans assist thousands of Queensland households each year to access the private rental market. In 2014-15 over 22,500 bond loans were provided by the department at a cost of \$23.9 million. In 2015-16 we expect to assist over 24,000 more households. Households that do not have sufficient savings to afford the up-front costs associated with accessing the private rental market such as bond expenses, two weeks rent in advance and relocation costs face significant barriers to accessing private rental accommodation. An interest-free bond loan equal to four weeks rent can assist in removing these barriers and support low- and moderate-income people to access and sustain tenancies in the private rental market. The loan is paid off in affordable increments over 18, 24 or 30 months. This is an effective, low-cost intervention and it does help to reduce demand on social housing.

To be eligible for a bond loan, applicants must hold Australian citizenship or have been granted permanent residency status. In addition, they must meet stringent income and saving limits and not own or part-own a residential property or a dwelling which is permanently connected to normal household utilities. The department also monitors the level of proposed rent compared to income and whether the applicant has any outstanding loans or debts with the department. People experiencing domestic violence can also access a bond loan to meet their immediate housing needs. In these circumstances, the usual eligibility criteria are waived and applicants are asked to provide evidence that there is a domestic violence situation and there is an immediate need for assistance.

CHAIR: Could you please also provide advice about how the RentConnect program operates?

Ms ENOCH: While bond loans are offered by my department, some people find it difficult to find rental properties and navigate the rental process with real estate agents. RentConnect officers in my department can provide additional support to assist these people to locate and apply for a private market rental property.

RentConnect is a highly successful service operated in 18 housing service centres across Queensland. This project helps Queenslanders who are able to manage a tenancy but who are struggling to access the private rental market. RentConnect assists people to address issues which can restrict their ability to obtain a private rental, such as having a limited rental history; a lack of skills, knowledge or understanding of how the private rental market works; or a lack of documents required for private rental applications.

Applicants are assisted by specialist RentConnect officers who can advise on how to find a suitable rental home, show how the rental application process works, help prepare a rental application and organise paperwork, and provide advice on how to make a good impression when submitting applications. In addition, RentConnect officers can help applicants access financial assistance offered by my department such as a bond loan, which I described earlier, or a rental grant. They can link clients to community support services and real estate agents and assist capable tenants to overcome short-term tenancy problems and strengthen their skills to maintain their private rental tenancy. RentConnect officers build and maintain relationships with local real estate agents and support services in their locations so they are best placed to provide personalised advice and information for each person's particular circumstance.

CHAIR: Could you provide us with some information about the department's involvement in the National Rental Affordability Scheme and how this intersects with the Commonwealth's contribution to address housing affordability in general?

Ms ENOCH: Since 2008, the Queensland government has been actively involved in the National Rental Affordability Scheme, or NRAS, as many people refer to it. In fact, Queensland was the only state to introduce unique measures to ensure that the supply of new, affordable private rental accommodation was made available to those most in need. In addition to income limits set by the Australian government, Queensland established additional eligibility criteria to ensure targeted delivery of the new supply of affordable housing. In Queensland, NRAS tenants must meet residency requirements and not own property or exceed liquid asset limits. Queensland has a single register of applicants for the National Rental Affordability Scheme properties that prospective tenants must apply to. As a result of these additional measures, Queensland avoided situations that occurred in other jurisdictions, where taxpayer subsidised properties were being occupied by international students.

The department also developed sound assessment procedures of proposed dwellings and organisations for inclusion into the scheme and worked closely with approved organisations to monitor and support the delivery of dwellings. These measures have been praised in the recently released report into affordable housing by the Senate Economics References Committee. The committee recommended the continuation of the National Rental Affordability Scheme and the possible adoption of the Queensland tenant eligibility model to make national delivery of the scheme more robust and effective. Unfortunately, the Australian government has not endorsed this recommendation and ceased new funding for the scheme in May 2014. The Palaszczuk government is concerned about housing affordability issues and will continue to raise these issues with the Commonwealth through the federation white paper process.

Mr WHITING: Minister, I refer to page 5 of the SDS which talks about working collaboratively to deliver services for communities. How is the department engaging with manufactured home park residents in my electorate?

Ms ENOCH: I thank the member for the question and I acknowledge his longstanding interest in this issue. I understand that there are three manufactured home residential parks in the Murrumba electorate. The member has been an active advocate on their behalf since being elected. In fact, I am pleased to be able to advise the committee that just last month the member for Murrumba accepted my invitation to join the ministerial working party for the review of the Manufactured Homes (Residential Parks) Act 2003.

Across Queensland, there are approximately 14,000 manufactured homes in about 170 residential parks. Most owners of manufactured homes are seniors living on a fixed income who own their home and rent the land on which their home is positioned. The Manufactured Homes (Residential Parks) Act 2003 seeks to: ensure home owners are not subject to unfair business practices; enable existing and potential home owners to be aware of their rights and responsibilities to make informed choices about park living; and ensure the capacity of park operators to run stable, viable and enduring businesses. There is an ongoing need to ensure the act continues to meet its objectives. A review of the act commenced in 2013 with the aim of ensuring it meets community expectations, protects residents, promotes fair trading practices and encourages the growth and viability of the residential

parcs industry. A survey was released in 2013 to allow manufactured home owners to have a say on the industry and included a range of topics—including sales, operations, utility charges, rent increases and dispute resolution. Over 1,100 submissions were received by the time the survey closed in December 2013, and the survey report was published on 3 July 2014.

A ministerial working party of key stakeholders was established to contribute to the development of a consultation regulatory impact statement and has met on 11 occasions, examining over 24 research and discussion papers to identify issues and propose recommendations. The working party will continue to meet during 2015, and I look forward to the contributions of the member for Murrumba. The regulatory impact statement will outline the challenges facing manufactured home owners and the residential parks industry. It will also provide options to address problems faced by owners and industry and the costs and benefits of each option. The final regulatory impact statement will include the results of consultation, along with recommendations for government to consider. I know the member for Murrumba is a strong proponent of community consultation and I am sure he will use that opportunity to consult widely with residents on the options included in the statement. This has obviously been a long process but a lot of work has gone into it so far. I want to make sure it delivers a result that best meets the needs and concerns of all stakeholders.

CHAIR: Thank you, Minister. We now go to non-government members.

Mr MOLHOEK: Minister, I am struggling a little here because we just heard the member for Capalaba talk about his electorate being the capital of tradies. I completely get the fact that they want security of payment—and some of the initiatives that we drove have certainly gone a long way to addressing that—but I think those same tradies also want security of work. We have heard you outline that there will be 529 new dwellings this year, yet here we are at a time when I think our tradies want jobs. There is the opportunity in two simple projects to create probably \$1 billion to \$2 billion worth of new projects and anywhere between 2,000 and 3,000 new dwellings in South-East Queensland for social and affordable housing, but we are bogged down with reviews of reviews and more community consultation. So my question is—

CHAIR: Thank you. I was hoping we were getting to that.

Mr MOLHOEK: Minister, why are we not committed to getting these jobs going and delivering the revitalisation of these two major areas? It seems to me—

CHAIR: Was that a question?

Mr MOLHOEK: It seems to me that the young people of Logan would prefer a job rather than consultation, so when are we going to get these projects going?

CHAIR: There was a bit of repetition there. I will allow the question.

Mr MOLHOEK: There is \$1.6 billion worth of work across two projects at little or no cost to government. When are we going to get them going?

Ms ENOCH: Well—

Mr MOLHOEK: How long is this going to take?

Ms ENOCH: If the member for Southport has finished. As I have made clear, the Logan Renewal Initiative is a huge project and, yes, there will be jobs available once we are able to get through some of the very important projects. There are some very important aspects to the project that need to be completed before it goes live. There are risks to the government in all of that, and we need to make sure we have mitigated those risks. There will be consultation with the people who will be affected—those people in the something like 4,900 properties. They need to be engaged in this process. That is why we are now doing the work that did not get done by the previous government. We missed that whole part of the project to ensure that people were engaged in the process. The Logan Renewal Initiative is, according to the contract, a 20-year program. Getting it right at the start is absolutely crucial, and I will not make an apology for that.

Mr MOLHOEK: So, Minister, what you are saying is that consultation is actually more important than employment and jobs?

CHAIR: No, that is an imputation. Can you ask a question, please?

Mr MOLHOEK: That is what it sounds like to me.

CHAIR: That may be the case, but could you ask a question please?

Mr MOLHOEK: Minister, again, when can we expect this consultation to be complete? When will we actually start to see the delivery of more housing through these programs?

Ms ENOCH: As I have already stated to the committee, I have asked the department to provide me with advice on where we are up to with the engagement and what are the next steps in terms of progressing with the project.

Mr MOLHOEK: Through you, Minister, to the deputy director-general or the director-general, I note that some of the same faces that we saw in the department when we were in government are here today. They were involved in providing that advice and giving the minister of the day the advice to sign off on these projects. Deputy Director-General, at what point did you have a change of heart or a change of view about—

CHAIR: No, you cannot ask the deputy director-general. You can ask through the minister.

Mr MOLHOEK: Okay, to the deputy director-general: have you received contrary advice from your department about these projects that suddenly they have gone from being bad ideas that need more consultation and needing to be held up? What has changed in the last six months?

Ms Carroll: I think as the minister outlined, the first thing was to undertake that engagement process, and we have certainly been working closely with LCCH around that engagement with local tenants, local community providers et cetera, but we are undertaking an assurance process at the moment. I have had a couple of meetings now—I had one with the minister, I had another meeting last week with the group and I have another meeting set up for next week—where we are going through that process of assurance. As the minister has indicated, she has asked the department to give assurance that everything for such a big implementation process is in place, so we are going through those processes at the moment.

Mr MOLHOEK: How long do you expect that process will take to complete? When can we expect that to be completed?

Ms Carroll: I would anticipate that we will be able to go through that over the next few weeks and provide advice to the minister about the way forward with kind of where we are coming out with the assurance process.

Ms ENOCH: Just to reinforce, this is a 20-year project of a massive scale—I repeat: massive scale. We need to make sure everything is in place. That is why these things are happening now—to ensure that the people affected will be engaged, to ensure that the actual project over the next 20 years will be a project that is integrated with the services of Logan. That is why it is taking this time.

CHAIR: I think we have heard you answer that question and the director-general answer that question. Can we move on to another topic, please?

Mr MOLHOEK: I am happy to move on.

CHAIR: Thank you.

Mr MOLHOEK: Minister, in the Capital Statement, Budget Paper No. 3, on page 72 there is a summary of the capital grants program to regional and community housing providers. Can the minister explain why there has been such a significant reduction—approximately \$33 million, from \$101 million last year down to \$67 million—in the capital grants funds that are made available to many of our not-for-profit community housing providers across the state?

Ms ENOCH: I will just confer.

CHAIR: Okay.

Ms ENOCH: I just took a moment because I understood that that was a question on notice also or one similar—there were many questions inside your question.

Mr MOLHOEK: Minister, I think it was a matter that was spoken of in parliament but not a question on notice.

Ms ENOCH: Just to be clear—and I am happy to read out the answer that was provided through the question on notice—the Service Delivery Statements state that the department's capital expenditure program for 2015-16 is \$435.6 million. This includes capital expenditure of \$368.3 million and capital grants of \$67.3 million. For 2014-15 the department's budgeted capital expenditure program was \$351 million including capital expenditure of \$249.8 million and capital grants of \$101.2 million. This is a capital program increase in 2015-16 of \$84.6 million.

Mr MOLHOEK: Minister, I do know that and I did read that answer to the question. But the question is specifically: why are we giving \$33 million less in capital grants to community and regional housing service providers across the state? I know we have increased the overall capital works for housing—

Ms ENOCH: Thank you for mentioning that we have increased the capital budget.

Mr MOLHOEK: I have a question about that. Why is it that we are actually penalising those community housing organisations and not-for-profits on the ground? Why are we giving them \$33 million less this year than we did last year in capital grants?

Ms ENOCH: As we are starting to move into operational territory I will defer to the DG.

Ms Carroll: Thank you for the question. The decrease that is shown in the budget paper is due to a reclassification of former capital grants to actual capital. So there is a reclassification between the grant's component and the capital and also other deferrals from prior years specific to 2014-15.

Mr MOLHOEK: I might ask for some further detail on that later, but we will move on. Minister, you have mentioned that total capital expenditure has gone up by \$84 million overall. Of the extra \$100 million that has been allocated to capital works, can you please advise which of the detailed construction programs are new initiatives added or created by the incoming government and how many of these are simply projects that were already in the pipeline from the previous government?

Ms ENOCH: I thank the member for the question.

Mr MOLHOEK: I can put the question another way.

Ms ENOCH: No, that is fine. I thank the member for the question. If you want a detailed list of every single project, then I will need to take that on notice.

Mr MOLHOEK: Minister, it seems to me that you are seeking to take credit for a program of works that was initiated by the member for Everton in his time.

CHAIR: That is not a question.

Mr MOLHOEK: The question is: what new initiatives are in the capital works program that were not already foreshadowed by the previous government or in train?

Ms ENOCH: Again, if you want a detailed list, then I will have to take that question on notice.

Mr MOLHOEK: You cannot, off the top of your head or with your whole team of advisers, tell us what new projects are there?

CHAIR: The minister is giving you an answer.

Ms ENOCH: If you are after a detailed list, then I will have to take that on notice.

Mr MOLHOEK: I may put that on notice.

CHAIR: Take that on notice thanks, Minister.

Mr MOLHOEK: I would like to go to another topic, and that is the issue of ice labs or methamphetamine labs in public housing. I know that this is an issue that we both spoke of in the media some months ago. My question is: can you provide us with an update as to what allocation has been made in the current budget for the clean-up of meth labs or ice labs within public housing in the current year?

Ms ENOCH: Thank you for the question. Obviously illegal activity of that nature is never tolerated in social housing. When the police have informed the department or when department officers have any suspicion of that kind of activity, we can move directly to eviction, just to assure the member that that is still the case. To give you a little bit of detail then, as you would know, member for Southport, when there has been evidence of some kind of illegal activity of the nature that you have just described, there are some responsibilities of a landlord to ensure that the place is safe. There is particular testing, removal and remediation of drug related incidents that, as a landlord, we must undertake. In 2014-15 there were 26 incidents of this type. The total costs were \$151,000 with works ranging from as little as \$723. These related to the removal of drug paraphernalia from a common area. In some instances where we had to undertake remediation works for a drug lab, that has been up to \$46,272 for a property.

As I said, when this kind of activity is brought to the attention of the department, there is immediate eviction. We move to immediate eviction of those people involved. There is no tolerance for any illegal activity. Of course, as a landlord, we have responsibilities for ensuring that the house or the property is safe and that it has been tested as safe. As a good landlord, we go a bit above and beyond, which you would expect.

Mr MOLHOEK: Minister, perhaps the director-general could answer: in terms of situations where it has been identified that there has been illegal activity of that nature, is it policy within the department to conduct the mandatory swabbing of those premises in accordance with Queensland Health guidelines?

Ms Carroll: We would follow all the required guidelines. As the minister said, we would refer any discoveries directly to the police to start with. In terms of the specific swabbing that you are describing, I will need to confer and check exactly what happens. Certainly our Building and Asset Services staff would be out there and would make sure that the properties were brought back to an appropriate level and comply with what was required.

Mr MOLHOEK: Director-general, is there any program in place where there is ongoing monitoring of suspected properties? Is it part of an inspection program that the department undertakes when they inspect public housing?

Mr WHITING: Point of order, we are getting into the realm of police work there. I would say under 181(g), that is someone else's responsibility.

CHAIR: I will allow that question. Are you comfortable with answering?

Mr MOLHOEK: The question was not about police monitoring; it was actually about regular inspection of property to make sure that social housing is kept safe. I am particularly worried about kids.

Ms Carroll: Housing Service Centre staff engage regularly with tenants. They also might have phone calls come into the Housing Service Centre. If they were worried, they would contact the police immediately. If there was something that they thought was illegal, they would take appropriate steps themselves. Certainly our front-line staff, our Housing Service Centre staff, would follow up on those issues on a regular basis.

Mr MANDER: Minister, could you please tell me the average rent that a social housing tenant would pay in Queensland at the moment?

Ms ENOCH: I will defer to the DG for that level of detail, member for Everton.

Mr MANDER: While she is doing that, if you do not mind, Minister, can you tell me how social housing rent is calculated, please?

Ms ENOCH: As you have already heard, member for Everton—and I thank you for the follow-on question—there is a review of fairness of all of the policies, including the way that rent is calculated. At this moment it is 25 per cent of a person's income that is used in terms of calculating the rent. One of the things that will be involved in the review of all policies for fairness is what incomes are fair to be calculated.

Mr MANDER: Minister, I will give you half marks for that. It is 25 per cent of eligible income, not income.

Ms ENOCH: I beg your pardon, 25 per cent of assessable income.

Mr MANDER: Have you got an answer on the—

Ms Carroll: Through the minister, we do not have that average figure with us. We might need to take that on notice, but I am sure we can get it before the end of the session.

Mr MANDER: I thank you for that.

Ms ENOCH: I am happy to take that on notice. As the member for Everton would know, the rent varies from one person to the other because of the 25 per cent of assessable income.

CHAIR: I imagine there will be some calculations being made to figure that one out, member for Everton.

Mr MANDER: It is \$119 per week actually, but it may have changed since I left. The other thing is that under the previous Labor policy before the LNP changed it, that eligibility policy meant that there were some households only paying eight per cent of their income for rent. Do you believe that is a fair figure to pay?

CHAIR: You are asking the minister for an opinion, member for Everton. Could you please rephrase that?

Mr MANDER: Minister, as I was saying, under the previous Labor Party policy with regards to rent assessment and social housing, there were people paying as little as eight per cent of their income for rent. Do you believe the review will lead—

Mr BROWN: Point of order.

CHAIR: Once again.

Mr MANDER: Touché, you got me there. We might go to the next question while I have a rethink about that.

CHAIR: I was going to go to government questions now.

Mr BROWN: I think that is a good idea, Mr Chair.

CHAIR: I will go to the member for Capalaba.

Mr BROWN: Minister, can you turn to page 5 of the SDS? It talks about homelessness and front-line services. Could you please detail how homelessness funding is used and what programs are provided to assist Queenslanders in this area?

Ms ENOCH: I thank the member for the question. Sadly, on any given night approximately 20,000 people are homeless in Queensland. The Palaszczuk government is committed to reducing the number of people who are homeless or at risk of becoming homeless. We do this by funding services that assist people to not only get housing but also maintain that tenancy. We also support services that increase the person's ability to be independent, self-reliant and connected to appropriate social and community supports.

In 2014-15 there were 136 non-government organisations delivering 215 specialist homelessness services across Queensland. The total investment in these services was \$136.5 million which was from combined Queensland and Australian government funding and also included over \$5.5 million in capital expenditure. These services included initiatives for people who were chronically homeless—so rough sleepers, as they are often referred to—such as Street to Home and supportive long-term accommodation where Queenslanders received tailored support to assist them to regain stability and independence. It included support for private and public tenants to help sustain their tenancies such as RentConnect and HomeStay Support. It included assistance for people leaving child protection services, correctional and health facilities to access and maintain stable, affordable housing such as the Housing and Support Program and Youth Housing and Reintegration Services. It includes support for women and children experiencing domestic and family violence. It included provision of short-term accommodation under the Crisis Accommodation Program and capital solutions to increase the supply and range of accommodation available.

In 2015-16 we expect that over \$136 million will again be spent on specialist homelessness services in Queensland. We should remember that each year we provide social housing assistance to people in housing need. Of the over 5,500 new households assisted in 2014-15, approximately 80 per cent were people deemed to be homeless or at risk of homelessness.

Mr BROWN: Following on from that, can the minister advise the committee about the National Partnership Agreement on Homelessness and how the relationship with the Commonwealth government is working in this area?

Ms ENOCH: I thank the member for the question. Funding from the National Partnership Agreement on Homelessness makes an important contribution to front-line services to address homelessness and to ensure integrated services that provide coordinated responses from homelessness to sustainable housing. There have been three separate homelessness agreements since 2008-09 including a one-year agreement in 2014-15.

Queensland has signed the National Partnership Agreement on Homelessness 2015-17 and is in the process of finalising the project plan under the agreement. The 2015-17 agreement will provide \$115 million over two years, with \$57.4 million in Commonwealth funds—that is \$28.7 million per year—and those funds are matched by Queensland. Priorities over the two years of this agreement include services for women and children experiencing domestic violence and services for young people who are homeless or at risk of homelessness. I can advise the committee that Queensland will be allocating over 25 per cent of the total funding to these priorities.

As I noted in my response to question on notice No. 9, it is unfortunate that the short-term nature of the National Partnership Agreement on Homelessness creates service delivery risks for the state government and funded organisations. In addition, the agreement will not provide the investment needed to maintain the level of service delivery provided under previous versions of the agreement. Previously services delivered under the homelessness agreements have been indexed annually to reflect growth in demand and the real cost of service provision. The Commonwealth government's decision to remove indexation will have a detrimental effect on services delivered by state and territory governments. Future funding arrangements for homelessness and housing after 2015-17 are being considered through the reform of the federation white paper.

Queensland is closely engaged in the reform of the federation discussions, including taking the national lead in considering housing and homelessness reform options and holding the Commonwealth to its responsibilities. Queensland will continue to work constructively with the Commonwealth government to implement the National Partnership Agreement on Homelessness and establish durable funding arrangements.

Mr BROWN: Minister, I refer you to page 18 of the SDS. Can you please inform the committee of measures the Queensland government is taking to provide specialist homelessness services and support within my electorate of Capalaba?

Ms ENOCH: As I said in my earlier answer, on any given night in Queensland up to 20,000 people—that is children, mums and dads, uncles and aunts, brothers and sisters—are without a safe and secure place to call home. For people to have good health outcomes, good education outcomes and good employment outcomes and opportunities, the basics such as housing need to be addressed first. While government, community and support groups are all helping people in need, there is still a high level of demand; however, housing is only part of the solution. Other challenges have to be addressed too.

Homelessness is not just not having a roof over your head; it can be caused by domestic and family violence, mental health and other health issues and financial issues. That is why we fund organisations that provide a range of support services. In the Capalaba electorate we fund a specialist homelessness service. In the last financial year the service had over \$340,000 in funding, and I am pleased to advise the committee that this financial year the organisation will receive more than \$351,000. These sorts of local organisations provide important services right across the state, and as a government we are proud to support their efforts.

Mr BROWN: How much funding has been allocated to new public housing dwellings in Capalaba this year? As I live next door to social housing, it is an issue that is near and dear to my heart.

Ms ENOCH: I understand that, member for Capalaba, and I thank you for the question. This financial year we have allocated more than \$183 million to the government owned social housing portfolio of more 60,000 properties across the state. The department will commence construction on 274 dwellings, purchase an additional 32 and complete construction of another 258. I am pleased to advise the committee that in the Capalaba electorate 10 new social housing dwellings will be completed in 2015-16, with an anticipated cost of \$2.462 million.

As I have said, housing is fundamental to a person's wellbeing, and I want to see government work together with the community sector and other stakeholders to help those people who need assistance to access appropriate housing services. Increasing our social housing stock is part of that and it is something we are delivering on. Government does not have all the answers, of course, and we cannot solve all of the challenges our community faces on our own; however, this budget shows that we are committed to Queensland's social housing sector and helping Queenslanders in need.

Mr WHITING: Minister, I refer to page 69 of Budget Paper No. 2, which outlines that \$129 million is being spent on social housing in Indigenous communities. That includes the \$112.8 million that was received under the National Partnership Agreement on Remote Indigenous Housing. Can you advise the committee whether the federal government has altered Queensland's allocation of funding under this partnership from 2015-16 onwards?

Ms ENOCH: In its 2015-16 federal budget, the Australian government announced that the National Partnership Agreement on Remote Indigenous Housing will be replaced with a new three-year agreement from 2015-16. The new agreement will commence 1 January 2016, subject to Queensland's usual budget processes, of course. Unfortunately, the new agreement will see Queensland's funding allocation reduced from \$404 million to \$377 million over the period 2015-2018. This drop of \$27 million has been taken from the property and tenancy management component of the budget. Such funding was targeted to bring properties up to appropriate standards, which is how the funding has been targeted in the previous years. This drop in funding may impact on the delivery of standardised property and tenancy management services to our 32 remote Aboriginal and Torres Strait Islander communities.

In addition, my department has been working with Aboriginal and Torres Strait Islander councils to deliver housing related maintenance, so any reduction in funding could impact on the capacity and capability of building locally sustainable workforces. The Palaszczuk government will be continuing discussions with the Australian government regarding this new agreement, and we will keep exploring options to minimise the implications of this funding reduction by the Commonwealth government.

Mr WHITING: Page 3 of the SDS refers to your department's five-year Indigenous housing strategy. We know that a significant gap exists between the number of Aboriginal and Torres Strait Islander people and non-Aboriginal and Torres Strait Islander people who enter into home ownership. Can you advise the committee of the government's progress in closing that gap?

Ms ENOCH: As you noted in your question, there is a significant gap between Aboriginal and Torres Strait Islander people and others when it comes to home ownership. In fact, Aboriginal and Torres Strait Islander Australians are half as likely to own or purchase their own homes as Australians of other descent. In remote areas the gap is even greater, with Aboriginal and Torres Strait Islander home ownership at 18 per cent compared to 57 per cent for Australians of other descent. The Palaszczuk government is committed to removing barriers to Aboriginal and Torres Strait Islander home ownership and supporting a more diverse and sustainable housing market in remote communities. Increased rates of home ownership, including greater security of tenure over the family home, will help support economic, social and community benefits in these remote areas.

The barriers to home ownership on Aboriginal and Torres Strait Islander land vary from location to location; however, there are some common barriers including supply, affordability, the condition of existing stock and the availability of local maintenance services. Local industry development for enterprises such as home maintenance services is needed to ensure ongoing sustainability of home ownership in remote communities. This is not an issue that we can fix alone. It requires a coordinated response from all levels of government.

In partnership with the sector, my department will develop a five-year strategy to guide the development of the Aboriginal and Torres Strait Islander community controlled housing sector in Queensland. This will help to improve the provision of social housing. My department is also working to support increased rates of home ownership on Aboriginal and Torres Strait Islander land by resolving outstanding entitlements under the Aboriginal and Torres Strait Islander (Land Holding) Act 1985 which are commonly known as the Katter leases. This represents approximately 280 social housing dwellings in remote communities that could be transferred to private ownership.

My department is also resolving outstanding block holder entitlements in Hope Vale and Yarrabah and supporting the sale of social housing at affordable prices under 99-year home ownership leases and the freehold pilot being led by the Department of Natural Resources and Mines. I am confident that these actions, in conjunction with other initiatives underway across my department, will help close the gap in Aboriginal and Torres Strait Islander home ownership.

Mr WHITING: Page 6 of the SDS refers to processes supporting home ownership on Indigenous land. Could you explain what these processes are and if they are having success?

Ms ENOCH: I thank the member for the question. As I have said, the Palaszczuk government is committed to removing barriers to home ownership for Aboriginal and Torres Strait Islander Australians and supporting more diverse and sustainable housing markets in remote communities. The leasing and tenure arrangements on Indigenous land can be complicated; however, we are making progress and providing opportunities for home ownership.

My department is supporting home ownership by seeking the resolution of existing entitlements and providing new opportunities for home ownership. In my earlier answer I touched on what are commonly known as Katter leases. Under the Aboriginal and Torres Strait Islander (Land Holding) Act 1985, residents could apply to own land and dwellings in remote communities through a lease in perpetuity. There are approximately 280 social housing dwellings subject to an existing entitlement in remote communities that could be transferred to private ownership if the entitlement holders agree. My department is working collaboratively with the Department of Natural Resources and Mines, the Department of Aboriginal and Torres Strait Islander Partnerships and the trustees of the land in each community to resolve these issues. A community-by-community approach is being taken, and to date the most progress has been made in Lockhart River and on Badu Island.

There are existing block holder entitlements under the now repealed Land Act 1962 in Hope Vale and Yarrabah, where the residents have an historic connection and entitlement to a specific property. My department has been working to support the resolution of longstanding issues associated with social housing on block holder land. We are also continuing to pursue new opportunities for home ownership. Under a 99-year home ownership lease, residents of Aboriginal and Torres Strait Islander communities can purchase social housing dwellings for an affordable price. The sale process is managed in collaboration with the trustees of the land in each community. The Department of Natural Resources and Mines is leading a freehold pilot in seven remote Indigenous communities to allow residents to achieve ordinary freehold on Aboriginal and Torres Strait Islander land. Those seven communities are

Hope Vale, Mapoon, Cherbourg, Napranum, St Pauls, Poruma, and Hammond Island. Where there is a social housing dwelling located in these communities my department will offer it for sale at an affordable price.

There has been much interest from existing residents, and in 2014-15 my department received 27 notices of intent from trustees to grant 99-year home ownership leases. Community concerns have been raised about the ongoing affordability and availability of maintenance services for their homes. If we want to ensure the ongoing sustainability of home ownership in remote communities, we need to make sure that there are measures available that support local industry development of enterprises such as home maintenance services. This requires a coordinated response from all levels of government.

Mr MOLHOEK: In order to cut the cost of building a home for Queenslanders, the LNP government removed the mandatory requirement to install energy-efficient hot water and rainwater tanks. Minister, will you again make it mandatory to install these items in new homes? On page 34 you talk about working closely with industry to deliver services that provide better value for customers. That was mandated by the government prior to the LNP, and this pushed up the cost of building homes. Is there any intention to reintroduce that mandatory installation?

Ms ENOCH: I have no intention at this stage, no.

Mr MOLHOEK: Minister, I refer to page 51 of the SDS relating to the QBCC. In the current financial year what will be the percentage increase in premiums for the home warranty insurance scheme?

Ms ENOCH: As we are in the operational space, I will refer to the acting commissioner for the Queensland Building and Construction Commission.

Ms Lowe: Would you mind restating the question?

Mr MOLHOEK: What is the increase in premiums that you anticipate for the home warranty insurance scheme this year?

Ms Lowe: For the 2015-16 financial year?

Mr MOLHOEK: Yes.

Ms Lowe: It is hard to say at this point. The increase in the premiums for the insurance scheme this year starting 1 July 2016 was a 3.5 per cent increase on premiums which is in accordance with the government indexation rate.

Mr MOLHOEK: Also with respect to the home warranty insurance scheme—and perhaps this question should be to the minister, but I am happy for you to answer it—are there any further reforms proposed to that scheme?

Ms Lowe: There are reforms proposed to the terms of cover under the Queensland Home Warranty Scheme. As it is really a matter of policy, I will defer to the minister on that.

Ms ENOCH: I will just confer for one moment.

Mr MOLHOEK: So you said there are reforms proposed. I think I did hear that, so that was a yes. So it is just the extent of those reforms.

Ms ENOCH: Yes, there are some reforms that are planned but for the details I will have to take that on notice and get back to you.

CHAIR: If the minister is happy to take it on notice, that is fine. Do you have another quick question? The time is about to expire.

Mr MOLHOEK: Just one final question. In respect of the QBCC, is it your intention to retain all of the reforms that were listed or detailed as part of the 10-point action plan?

Ms ENOCH: Given again that you are talking about a statutory body in the Queensland Building and Construction Commission, I will refer to the acting commissioner.

Ms Lowe: In relation to the 10-point action plan, there has been a number of initiatives which have already been implemented. The remaining recommendations under the 10-point action plan which are yet to be implemented include a review of the certification system in Queensland and the recommendation of the introduction of a continuous professional development program for licensees. I am aware that further consultation has been sought in respect of the reforms to the Building Act and the certification system in Queensland and similarly in respect of the initiative about introducing CDP for licensees.

Mr MOLHOEK: So, Minister, my understanding then is that at this stage the intention is to continue with the proposed reforms of the QBCC.

Ms ENOCH: In terms of the QBCC, I obviously take guidance from the chair of the QBCC from that board and at this stage there are no plans to reform those.

Mr MOLHOEK: To halt or hold up the reforms?

Ms ENOCH: Not at this stage.

Mr MOLHOEK: Okay. Thank you.

CHAIR: With that, the committee will now adjourn for a break. This hearing will resume at 5 pm continuing with the examination of the portfolio areas of Science, Information Technology and Innovation. Thank you all for your participation.

Proceedings suspended from 4.33 pm to 5.00 pm



CHAIR: Welcome back, Minister and officials. The committee will now resume the examination of the estimates for the Minister for Housing and Public Works and Minister for Science and Innovation. We will now examine the minister's portfolio area of Science, Information Technology and Innovation between 5 pm and 6 pm. I remind members that the question before the committee is—

That the proposed expenditure be agreed to.

We will now commence questioning. I call the member for Toowoomba South.

Dr McVEIGH: Thank you, Mr Chair, and I appreciate the committee granting me leave to participate in this estimates session. Good afternoon, Minister. Minister, I refer to page 1 of the SDS and I note that you, the Premier, the Deputy Premier, the Treasurer and other senior members of the government have had much to say regarding the government's Advance Queensland announcement. I note that in the budget documents it is referred to essentially as a flagship of the budget and in your introductory remarks earlier this afternoon I note you stated that it is key to your efforts as minister, and I ask: why is it then that over half a year after your government took office your department, which has carriage of this key area that is so central to the budget as you claim, has not even seen fit yet to appoint a permanent director-general?

Ms ENOCH: I thank the member for the question. As the member would know, there is a full merit process that is underway for all directors-general and that is being managed by the Public Service Commission. So that is a matter for the Public Service Commission and the Premier.

Dr McVEIGH: Thank you, Minister. I note that is of interest given it is such a key area for the government that that position has not been filled as yet. I share with you, Minister, that in seeking updates on that position on your department's website as late as this morning it actually refers to your department as DSITIA—of course using the name of the previous department which included Arts which is now transferred to the Premier's portfolio. I seek leave to table the printout of that website which was last updated on 18 August 2015.

CHAIR: Leave is granted.

Dr McVEIGH: I guess, Minister, that might be seen as an oversight, but particularly for your department of Science—and I stress—Information Technology and Innovation I would ask whether you think that that is appropriate that it has not been updated yet.

Ms ENOCH: I thank the member for his question and his concern about that kind of detail on our website. The DSITIA internet site uses the team site CMS which is managed by the one-stop-shop team within the department. Removing the 'A' from the department's URL is a very large and complex project. The DSITIA internet site has 230 directories and 1,059 files which all need to be migrated. Planning for the migration commenced in February. However, other major projects have taken priority until recently. Migration activities to transition from DSITIA, as you have rightly pointed out, to DSITI have now recommenced, with a project plan to be finalised next week. Once the plan is developed, we will have a time line on the project's completion. Initial thoughts are approximately about one month.

Dr McVEIGH: Thank you, Minister. I note in asking that question many other departments have already achieved that update, but thank you for your response. I refer to a number of pages of the SDS but particularly page 34 as well as pages 1 and 2 which outline that the Chief Information Office and CITEC within your department provide independent quality advice to ministers and consolidated data integration and aggregation to the whole of government and run a secure government network that allows government departments to exchange information easily and securely. Minister, your colleague the Minister for Education and Minister for Tourism, Major Events, Small Business and the

Commonwealth Games advised at estimates earlier this week that in relation to the child safety reporting information system breakdown in her department she had consulted her own department, the department of child safety and the police department on the issue. Given it is reported as a breakdown in information and communication technology systems, why is it that she did not report that she has consulted your department of information technology?

Ms ENOCH: I thank the member for the question. Just to, I guess, correct you, the Minister for Education has requested that the incident be reviewed to assure the risk of these types of incidents occurring in the future is minimised and ICT systems of specific agencies should be referred to the responsible minister. There have been some discussions with the Queensland government information officer.

Dr McVEIGH: Okay. So I take it that we would assume that whilst your colleague the minister did not refer to that consultation the other day that consultation is happening nonetheless?

Ms ENOCH: That is correct.

Dr McVEIGH: In relation to that issue, what has your department done to ensure information flow across departments is seamless?

Ms ENOCH: I thank you for your follow-on question. Just while we are still on the matter that you raised, I am represented by the Queensland Government Chief Information Officer or the office that are part of the group investigating the OneSchool system incident to support the Department of Education and Training in the resolution of the issue. I have tasked the Queensland Government Chief Information Officer to prepare a submission that will reinvigorate both the ICT policy and ICT governance frameworks.

Dr McVEIGH: What then are you doing, Minister, to ensure critical data is shared across portfolios with this recent issue in mind?

Ms ENOCH: Because we are starting to move into an operational space, I will refer to the Queensland Government Chief Information Officer on this occasion.

Dr McVEIGH: I am happy to take that input, Minister, but I remind you my question was what you are doing as minister to ensure that.

Ms ENOCH: As the Chief Information Officer takes his place, I meet weekly with the director-general who informs me of all matters relating to my portfolio in Science, Information Technology and Innovation and I have a monthly meeting that has been scheduled with the Queensland Chief Information Officer. Further to your point, I will refer to the Government Chief Information Officer.

Mr Mills: Agencies need to meet their own business needs and decide where the sharing is needed for those business needs. They also need to take into account all the issues around privacy, information security and the level of confidentiality of that information. My office through what is called the Queensland Government Enterprise Architecture provides guidance, policies and standards to guide those decisions, but at the end of the day they are a business decision around each case. At this stage also DSITI through the ICT modernisation action plan is working with agencies around improving the sharing of information across agency boundaries.

Dr McVEIGH: Thank you, Mr Mills. Do I conclude from that then that the integrity and performance of information technology systems within various agencies—within various departments—is the responsibility of that department, not your department?

Mr Mills: Yes.

Dr McVEIGH: So the IT component of DSITI is merely there to provide advice; is that right?

Mr Mills: Advice and guidelines, standards and guidelines. That is for my office. DSITI has a broader ICT role.

Dr McVEIGH: Okay; thank you for that. Minister, I refer to page 35 of the SDS and your media statement of 27 May this year when you in, what some might say, contrast to the approach of the former government in working with the private sector to ensure world's best practice in ICT delivery and value for taxpayers' dollars stated that you would only work with the government's CITEC service to build a future proof business model. Can you guarantee that CITEC and indeed the CIO will in fact play a role in future proofing against future problems such as that seen with the child safety issues that we have seen in recent weeks or indeed the public servant payroll debacle under the former Labor government?

Ms ENOCH: I thank the member for the question. In context, though, we need to understand that governments across Queensland and globally are challenged by the ever-changing and complex nature of ICT, including issues surrounding cybersecurity. CITEC provides the government's front line of

defence for cybersecurity and something I know you witnessed in the G20, for instance. That was incredibly successful and CITEC was involved in that. So it is a very important part of future proofing the security of government business. So that is one of the major reasons I have made that decision to maintain CITEC as a government entity. Further on cybersecurity, I do have a small information security virtual response team to coordinate the response to cyber incidents with agencies, internal and external service providers and the federal Cyber Security Operations Centre. Previously the Queensland Government Chief Information Office undertook a major activity to improve cybersecurity in all Queensland government agencies and from that major activity there has been some feedback on this from government agencies. Consequently, I have asked the Queensland Government Chief Information Office to prepare a business case for an ongoing program of cybersecurity improvement based on the previous successful approach. So that is the reason CITEC remains in government.

Dr McVEIGH: So, Minister, you would suggest that that approach will, to use your words, ‘future proof’ future business models within government?

Ms ENOCH: Right now there is some consultation and engagement going on not just with the employees that have had their job secured as a result of the decision to retain CITEC but consultation with customers and the sector around what would be the best business model going forward to ensure that we are able to meet our obligations as a government to protect government business. So that business model, as I said, is being developed through that process.

Just for further information, the new CITEC business model may give us the opportunity to strengthen the government’s capability to address those emerging cybersecurity challenges; harness new ICT platforms, services and business models; improve information sharing to provide better and more cost-effective services; and expand the CITEC brokerage function to garner the benefits of aggregation and specialist expertise and explore new partnership arrangements to leverage private sector expertise.

Dr McVEIGH: Thank you for that, Minister. Can I take it from that and your explanation of the consultation about the future business models that it is perhaps premature to suggest or to guarantee that retaining CITEC in the form that you have explained will, again to use your words, future-proof against future issues such as we have seen recently?

Ms ENOCH: As I have said already at the beginning of this response to your question, governments right across Australia and internationally are really having to manage very challenging, ever-changing, fast paced ICT issues. The protection of government business and records is an absolute priority for many governments that are trying to face this challenge. That is why we have to look at the best possible business model going forward. I have maintained CITEC to ensure that we are positioned to be able to address these ever-changing challenges and globally driven challenges. That is why we are undertaking this work to ensure that the business model going forward will ensure we are future-proofed. However, on top of that, as I have said earlier, I have tasked the Queensland government Chief Information Officer to prepare a submission that will reinvigorate both the ICT policy and ICT governance frameworks.

Dr McVEIGH: Minister, the Queensland chairman of the Australian Information Industry Association has stated that the former government’s approach to CITEC was both desirable and inevitable and a good thing. Minister, is that industry association wrong?

CHAIR: You are asking for an opinion there.

Ms ENOCH: You are asking for my opinion.

CHAIR: You are asking for an opinion. Can you rephrase that question?

Dr McVEIGH: Certainly. I note from the SDS that the customer performance standard for CITEC—and I acknowledge that this is a new standard—is only 65 per cent, which, in anyone’s language I would suggest is quite low. Why did you think that is the case, Minister?

Ms ENOCH: I thank the member for the question. In terms of the new measures, I will refer to the assistant director-general for strategic ICT on that matter.

Mr Stower: We actually reinvigorated the measure on customer performance for CITEC, because during the process of divesting CITEC we discontinued measuring customer performance, for obvious reasons. We have just reinstated that measure. The reason it is a bit low is that we need to reinvigorate the relationship that is there between CITEC and its customers. During the divestment stage, customers were looking at other options to CITEC as well as doing things themselves, so part of that process now is to again do customer surveys.

The other point that I should make is that we have two measures for customer satisfaction for CITEC. CITEC is actually two businesses. There is CITEC ICT, which provides whole-of-government ICT infrastructure, and there is CITEC information brokerage. CITEC information brokerage recently conducted a customer survey and its results were quite high—greater than 90 per cent customer satisfaction. That is a business which has mostly external customers getting access to different information datasets, so that is part of the reason we have that measure for CITEC ICT.

Dr McVEIGH: Thanks, Mr Stower.

Ms ENOCH: Chair, can I just add to the response. Let me be clear: I am dealing with the legacy from the past government to divest CITEC. Not only was this deeply unsettling for the staff; the uncertainty contributed to a number of CITEC customers either in-sourcing activity or moving to alternative outsourced arrangements. As a result, over the last two financial years CITEC ICT's revenues have reduced by \$16.96 million. Let me remind the committee that the former government also spent some \$3.313 million on the CITEC divestment program. The decision I took to stop the CITEC divestment provided certainty for employees and security for internal and external customers. It was also about protecting the state's interests in relation to the data that it holds for government, as I have already said.

This decision is already delivering gains. In 2014-15, the CITEC entity had a net loss of \$1.571 million after tax, which compared favourably against the former government's forecast budget loss of \$4.168 million. I am determined to get CITEC back on a firm footing. This department, as I said, is engaging with employees, management, customers, suppliers and partners to explore options for the future of CITEC. This consultation will inform the development of a future operating model that will create a forward-looking and sustainable CITEC business.

CHAIR: Thank you, Minister.

Dr McVEIGH: Minister, industry is telling me that our approach was a good thing.

CHAIR: Thank you. We will now move to the member for Murrumba.

Mr WHITING: Minister, this is about Advance Queensland. Like you, I am very enthusiastic about it. I have talked to two chambers of commerce, Moreton Bay Central and North Lakes, about these programs in the last fortnight. Firstly, I refer to page 3 of the Department of Science, Information Technology and Innovation SDS. That mentions, obviously, the Palaszczuk government's Advance Queensland initiative. How will Advance Queensland help prepare this state for the future?

Ms ENOCH: I think many members of the committee understand that Queensland's economy is changing. Capital expenditure in the resource sector is declining and world markets are volatile. Our workforce profile is changing and trade and investment priorities are shifting globally. We know that digital disruption and the broader impact of technology are having both positive and negative effects on some industry sectors and individual businesses. This is bringing challenges to both employment opportunities and the demand for skills. This is underlined by the Committee for Economic Development's 2015 report *Australia's future workforce?*, which focuses on the jobs and skills needed to ensure that our economy continues to grow and diversify. The report talks about how the next wave of industrial revolution will fundamentally reshape business activity and notes the high probability that 40 per cent of Australia's workforce—more than five million people—could be replaced by automation within the next 10 to 20 years.

If Australia, and Queensland in particular, is to maintain an internationally competitive and robust economy we must plan now for the changes, the challenges and the opportunities that we face. We need to help our businesses become more digital and innovation savvy while at the same time develop the right jobs and skills for future generations. That is why the Palaszczuk government has committed \$180 million over four years to the Advance Queensland initiative. Advance Queensland is focused on building a stronger and more diversified economy by creating high-value, knowledge based jobs now and jobs for the future. It is at the heart of our economic agenda. It will help us diversify the economy and support the creation of new globally focused businesses and industries to address the coming challenges.

My Department of Science, Information Technology and Innovation has significant responsibilities to deliver the Advance Queensland initiative. Through Advance Queensland, we will support entrepreneurs, SMEs, industry and research organisations to grasp opportunities in growing markets and position the state as an attractive investment destination. We will help bridge the gap between great ideas, commercial outcomes and future jobs.

However, to capitalise on the opportunities available we need to ensure that our young people have the skills that will be in demand—like science, technology, engineering and maths, including computer-coding ability. We need to work with the private sector to raise the rate of start-ups and better support businesses to access advice, mentoring and the capital needed to grow. We need to work with industry and universities to translate more scientific and technological excellence into world-class products and services and we need to support our graduates—new businesses and scientists—to think and network globally. By doing this, we can position Queensland as a globally recognised place where industry, universities and government work collaboratively to take great ideas through proof of concept to products and businesses that can be invested in.

My department will be contributing through three major funding programs under Advance Queensland—and I will mention them again—the \$50 million Best and Brightest Fund, the \$46 million Future Jobs Strategy and the Business Investment Attraction package for which my department has responsibility for \$36 million of the total \$76 million. There is global competition for ideas, talent and investment. Queensland needs to be a strong competitor with the right economic and policy settings to secure our future. Advance Queensland will continue to build Queensland's reputation and capacity to conduct innovative research and development and, more importantly, to translate these ideas into real commercial and social outcomes.

Mr WHITING: Following on from that, can you outline what funding Advance Queensland has allocated to encourage women in science?

Ms ENOCH: The \$180 million Advance Queensland initiative will see industry, research organisations and government working collaboratively to build innovation that will drive the development of jobs now and jobs for the future. One of the three key programs is the \$50 million Advance Queensland Best and Brightest Fund, which aims to develop, attract and retain world-class scientific and entrepreneurial talent. It will help to ensure that we continue to have a pipeline of talent flowing through from our schools and universities into business and industry, supporting the jobs of the future.

It was recently reported that currently only 30 per cent of researchers working in science are women. While there is no single reason for this imbalance, there are a number of actions that we can take to bridge the gap and make sure that we have access to all the brightest minds, regardless of their gender. One barrier we do know is that taking time out to have children or having primary care responsibilities for children often puts their careers on hold and they subsequently miss out on key career-advancing opportunities. To help address this, I recently announced a \$1 million, three-year Advance Queensland Women's Academic Fund. The fund will support female researchers while they are on maternity leave by providing funding towards a research assistant to ensure that progress on the project is maintained while they are on that leave. We are also making up to \$1,000 available to fund any out-of-pocket childcare costs if a woman researcher has to take time away to present at a national or international conference or is involved in a professional research committee. This recognises that being invited to speak at a major conference is an important event for a researcher and they should not miss out because they cannot cover childcare costs. Up to \$2,000 is also available to public and private organisations to arrange conferences, lectures or presentations highlighting the work of leading women researchers.

Advance Queensland will support women researchers and encourage more young people to pursue careers in science and technology, and that can only be a good thing for Queensland. Although women outnumber men in many Australian universities and women are increasingly taking up key roles in science and technology, we still see low rates of retention beyond the postdoctoral phase. To address this, Advance Queensland provides further opportunities to help level the playing field.

A number of the programs under the Best and Brightest Fund will target funding towards groups that are historically underrepresented in the science and research sector, including women. The Advance Queensland initiative will target a minimum of 15 Advance Queensland fellowships towards women. In addition, it is anticipated that there will be further female representation in the 60 Advance Queensland research fellowships, 15 Advance Queensland regional fellowships, 10 Advance Queensland Indigenous fellowships and the 40 Advance Queensland PhD scholarships on offer. It will also target masters scholarships to target postgraduate education in underrepresented groups, specifically women, Aboriginal and Torres Strait Islander researchers and those from low socioeconomic circumstances.

Mr WHITING: That is quite a comprehensive suite of funding initiatives to encourage women in science. Just to follow up on some of these issues, on a local level and in reference to your answer to question on notice No.20, what sort of services might Moreton Bay Regional Council provide with its \$1.7 million Public Library Grant?

Ms ENOCH: I thank the member for the question and recognise your interest in improving important community services within your electorate. I know that you have been personally involved at a local government level in helping to rejuvenate local communities in both the Caboolture Shire Council and Deception Bay Shire Council areas. I know you are also an active member in many local community groups so it is no surprise to me that you are interested in the literacy wellbeing of your community and the services local libraries are delivering to assist with this.

The Palaszczuk government has committed more than \$23 million to local libraries, directly supporting the more than two million Queenslanders who access their services. Right across Queensland local libraries are a vital and vibrant part of our communities. In 2013-14 local libraries had more than 22 million visits, with Queenslanders taking part in 61,000 programs run by libraries. I am happy to advise the \$1.7 million Public Library Grant provided to Moreton Bay Regional Council will be used by council to procure learnable items for the benefit of the Moreton Bay community. The funds are used by council to purchase items such as books, DVDs, CDs, toys and other resources for loan to the more than 190,000 library members through council's 10 libraries and mobile library. These resources will add to the more than 3.9 million loans of items from Moreton Bay's libraries each year.

Access to a large diversity of resources is vitally important in helping to develop and maintain a vibrant and inclusive community. Despite the growing use of online services to access many of these resources, local libraries continue to play an important role as community hubs. Through improved lending resources and free events, libraries provide an opportunity for many members of the community to come together, learn and break down social barriers. Mobile libraries are an important resource within local communities as they ensure access to resources for those who may not have the ability to visit traditional libraries. The Palaszczuk government understands that our investment in libraries can make a real impact in people's lives.

Mr BROWN: Minister, on page 55 of the SDS it refers to the launch of the First 5 Forever literacy initiative. Can you please inform the committee how members of my community can access this \$20 million program and how it will assist in early childhood development?

Ms ENOCH: I thank the member for the question and, knowing how important education has been to you, I am delighted to see your interest in ensuring the coming generations continue to have access to quality education resources from the earliest of ages. The Palaszczuk government announced in the budget funding of \$20 million over four years for the First 5 Forever campaign, additional to State Library of Queensland departmental funding. Over 320 public library branches across 63 local governments have received resources and/or funding to deliver First 5 Forever programs and services in partnership with community agencies across Queensland. The annual funding allocation of \$4.5 million is distributed based on the number of residents in the local government area, with additional funding for families with under-five-year-old children. Parents are a child's first teacher. They spend the most amount of time with their children through those critical early stages of development and it is important to provide them—many of them first-time parents—with the resources and support they need to perform this role.

The First 5 Forever program has been funded to do just this. As each community has its own needs, local councils have the flexibility to deliver programs, services and resources that are best suited to their community in consultation with the Queensland government. This includes evidence based approaches for parents and primary caregivers at the local level, First 5 Forever parents and primary caregivers toolkits and access to First 5 Forever professional development opportunities for library staff and community agency partners.

In Capalaba, the community can access the First 5 Forever program and resources at their local library, including baby and story time sessions and outreach sessions for children zero to five years old and their parents and families. These resources, sessions and activities include important parent messages and tips to encourage parent led activities at home that enable language and emergent literacy outcomes for children zero to five years old. The First 5 Forever media campaign and program activities will empower the parent, as the child's first teacher, increase knowledge and confidence and the informal learning opportunities for the child.

CHAIR: We will now go to non-government questions. I call the member for Burdekin.

Mr LAST: Minister, you have spoken at length today about the Advance Queensland initiative. Can you tell me how many staff will be employed by your department in delivering the Advance Queensland initiative and what the predicted annual cost in terms of administering this initiative will be?

Ms ENOCH: I thank the member for the question. This is quite an operational question, but I will answer it to the best of my ability and then refer it if there is further detail. Just to give some context, the Advance Queensland initiative is a whole-of-government strategy. Governance is being provided at a number of levels. There is an interdepartmental committee chaired by the Department of the Premier and Cabinet which will provide coordination across agencies and high-level oversight. As an agency with significant implementation responsibilities, the Department of Science, Information Technology and Innovation is establishing an implementation unit to provide coordination and leadership across the department and in conjunction with the Department of the Premier and Cabinet across other government agencies and external stakeholders in the delivery of the Advance Queensland initiative. A small percentage of the \$180 million announced of that package will be directed to the additional grant and program administration.

Mr LAST: So when will it start? You have said you have started the implementation unit. When will you actually start rolling out those programs that you have talked about?

Ms ENOCH: I can confirm that we do have an interim implementation unit that has begun work to ensure that we have some leadership around implementation. As you know, there have been a number of announcements that have already been made around research fellowships and, as I have just said in my earlier comments, announcements around the Women's Academic Fund. Just to be a little bit clearer, when I talk about the research fellowships, they have been the early and mid-career research fellowships and the Phd scholarships and, as I have just mentioned, the Women's Academic Fund. So these things have already begun.

Dr McVEIGH: Minister, I refer to SDS page 3 and reference there to transparent and accessible government, a theme that I note the government has promoted and has suggested would continue through these estimates hearings. I also note that, as you have been saying yourself, the Premier and other senior government representatives have been lauding the science, IT, innovation potential for our state—indeed, the subject of the Premier's first trade mission overseas as Premier. Why is it then that in the now 10 days, or roughly 250 hours, since estimates started early last week that we have only got one hour to consider science, IT and innovation if it is such a key issue for the government?

CHAIR: Member for Toowoomba South, I will be able to answer that. That was a decision of this committee. This committee resolved the time limits for this, not the minister.

Ms ENOCH: Just for the member for Toowoomba South's knowledge, I also questioned that. However, it is up to the committee and obviously we take the lead of the committee.

Dr McVEIGH: I am pleased to note that you have followed that up yourself, Minister. I think that is quite strange, but, nonetheless, we move on. I again refer to SDS page 3 in relation to initiatives in science. Minister, your colleague, the Minister for Education and Minister for Tourism, Major Events, Small Business and the Commonwealth Games, has emphasised the potential legacy benefits of the 2018 Commonwealth Games, including those purported to be around the Commonwealth Games village and the proposed health and knowledge precinct. Minister, can I ask, given the importance and focus placed on that by the government, whether you are involved in those discussions about that legacy of a health and knowledge precinct adjacent to Griffith University?

Ms ENOCH: I will just take a moment to confer. I thank the DG for that. We obviously will ensure that Advance Queensland and the various aspects of that program will be open to those involved in that development.

Dr McVEIGH: Can I ask, Minister, given the importance of this area, whether you have visited either the university or, indeed, that village, which is under development at the moment obviously, to investigate plans for this precinct?

Ms ENOCH: Which university are you referring to again, sorry?

Dr McVEIGH: Griffith University which is adjacent to the Commonwealth Games village.

Ms ENOCH: I can confirm that, in fact, the department is in discussions with Griffith University about this precinct and the opportunities.

Dr McVEIGH: So, Minister, as the minister responsible for carriage of the Advance Queensland Strategy—science, information technology, innovation—would that not be a priority for you given the focus that the government, including through a cabinet committee as I understand it, has placed on the legacy of the 2018 Commonwealth Games?

Ms ENOCH: Well, on top of that I have also visited Griffith University on the Gold Coast and recently opened a function down there and I have continued conversations with the staff of Griffith University. This, of course, is an ongoing conversation that we are having in terms of Advance Queensland.

Dr McVEIGH: I take it at this stage you have not visited specifically to look at the plans for the health and knowledge precinct?

Ms ENOCH: Not specifically. Not at this stage.

Dr McVEIGH: Thank you, Minister. I refer to pages 4 and also 9 of the SDS in relation to the first round of funding under the Advance Queensland initiative. I understand the Phd scholarship program, which you referred to in answering a previous question, is open for applications until the 23rd of next month, as I understand it, and I ask whether you, Minister, have you received any feedback from Queensland universities on the practicality of the terms yet under that program?

Ms ENOCH: I will just confer. For me personally as the minister I have not received any feedback about the terms of the Phd scholarships.

Dr McVEIGH: Minister, I personally support such programs. In fact, I successfully applied for that sort of assistance myself very early in my own academic career, but I am concerned with some of the feedback I am receiving from universities telling me the obligations on the supporting university for such scholarships may be too onerous. Again I understand applications have not yet closed. Can you provide confidence to the universities that the terms will not be onerous on them?

Ms ENOCH: I thank the member for the question. I am a bit puzzled because my department has been working very closely with all universities in the development of these programs, including the Phd scholarships. Again, I have not received feedback on that. I have not received that feedback from universities. As I said, these programs were designed after detailed consultation with universities so if you have received any further information outside those consultations, detailed consultations with universities, then I would ask if you could table that.

Dr McVEIGH: Minister, I would certainly be keen to follow that up with you because there is quite a bit of content about the way in which those Phd programs may—and I stress may, given the applications have not closed—cause concerns with universities. I look forward to having those discussions with you.

Ms ENOCH: Again on the record and through the chair, it is surprising to me given that these programs were designed after detailed consultation with universities.

Dr McVEIGH: I will correspond with you on that issue.

Ms ENOCH: Thank you.

Dr McVEIGH: Minister, I welcome the continuation of a number of LNP initiatives in terms of, for example, the Government Wireless Network, the data security work in preparation for the G20, which you referred to earlier and that no doubt will be invaluable for preparations for the 2018 Commonwealth Games, and a raft of other initiatives. I refer to SDS page 61. In relation to early literacy efforts, which I think you referred to in response to an earlier question, through the State Library, the LNP's Best Start Program is also being continued, but it is simply rebranded as the First 5 Forever program, which is again referred to in the budget documents. How much is that rebranding exercise costing?

Ms ENOCH: As a former teacher and as a mother, I truly believe that a program of this nature is invaluable. We know that brain development in terms of those first five years is really assisted by those young people's engagement with literacy, so I am supportive of the program. In terms of the question, with regard to the detail on the costs of rebranding I will take that on notice.

Dr McVEIGH: Thank you, Minister. Again, I note your comments in relation to the program. You yourself stated it was a \$20 million program, as was what was being launched under the Best Start program by the former LNP government. I note on SDS page 58 that there is a change in the 2014-15 budget and the estimated actual for the same period, which the notes to that income statement suggest are largely related to the First 5 Forever program. I note that is a change of about \$5.4 million. Perhaps this could be in your response to what you have taken on notice, Minister. I would be very keen to understand the breakdown of that \$5.4 million in what is only a \$20 million program announced by the former government. Again, I am concerned about issues such as rebranding et cetera. I look forward to your response.

Ms ENOCH: Just to be clear, the question that I have taken on notice is about the details with rebranding. I will be able to provide that information.

Dr McVEIGH: As a supplementary component to that question, can I ask for detail in that difference that I have just referred to on page 58.

Ms ENOCH: Once again, I will take that on notice.

Dr McVEIGH: Thank you, Minister. I again refer to SDS page 1 in relation to the independent advice on ICT management and investment that the government Chief Information Office provides. Why is it that ICT industry businesses, particularly Queensland owned and based SMEs, continue to complain about government procurement processes in relation to the ICT needs of government itself?

Ms ENOCH: I will just confer. In response to your question, there is a review of the GITC that is underway and we hope that that will improve relationships with SMEs.

Dr McVEIGH: Would the minister agree that the Queensland government should continue to strive to engage with Queensland small businesses in the ICT sector, given that government is such a large customer, and that it should be, if you like, a model procurer?

Ms ENOCH: The establishment and maintenance of an effective working relationship between the government, the ICT industry and other external stakeholders and interest groups is important; I agree. The department has a mature engagement model with the ICT industry, meeting regularly through various ICT industry forums that support ongoing collaboration and information sharing. Over the past few months, the Department of Science, Information Technology and Innovation and members of the ICT industry have co-designed an ICT engagement plan for the next two to three years. The department, of course, supports ICT SMEs by hosting regular partners-in-technology briefings, by hosting partners-in-digital-productivity sessions and hosting an initial Talk IT Up speed networking event where selected ICT start-ups and SMEs were invited to present their specialist capabilities.

Of course, inside all of that is the commitment from Advance Queensland to ensure that SMEs are part of the story of how we prepare for the future. In some time to come there will be some announcements about the knowledge transfer partnerships, for instance, where SMEs will have the opportunity to have postgraduate students work in their companies to able to expand on some of their businesses. This is part of the commitment that this government is making under Advance Queensland.

CHAIR: Thank you, Minister. We will now go to government questions.

Mr BROWN: Minister, I refer to page 4 of the SDS. Can you update the committee on any successful research programs in Queensland?

Ms ENOCH: Labor governments in Queensland have a strong track record of supporting research within the state. Queensland researchers consistently remind the rest of the global scientific community that not only are we open for business but also we are a home to world-class facilities and some of the best and brightest researchers delivering outstanding discoveries and outcomes. I am pleased to be able to tell you about some of our state's fantastic researchers who have been supported by the Queensland government and their achievements.

There is the early diagnosis of melanoma. PhD candidate Mitchell Stark at the QIMR Berghofer Medical Research Institute has developed a world-first blood test to assist in the early diagnosis of melanoma through the detection of biomarkers. According to Cancer Council Queensland's latest data on melanoma, there were over 3,400 diagnoses and 300 mortalities in Queensland in 2012 alone. The new research is a positive outcome for Queenslanders, as early detection of melanoma will improve the life expectancy of diagnosed patients as well as help reducing the healthcare burden on Queensland's hospitals. Mr Stark was awarded a three-year \$36,000 Queensland government Smart Futures PhD Scholarship.

Another example is with improved tendon injury rehabilitation. Professor Scott Wearing of the Queensland University of Technology has developed cutting-edge research that can help improve tendon injury rehabilitation through the use of ultrasound and imaging technologies. Tendon injuries often need lengthy and complex recovery management plans. Treatment can last 12 weeks and there is a 20 per cent chance of reoccurrence for particular types of tendon injuries. The research will help to assess the effectiveness and cost-benefit of a range of treatments and could help reduce the amount of time athletes and others spend recovering. The Queensland government supported Professor Wearing's research through a \$150,000 Smart Futures Fellowship over three years from 2015.

Another example is the new treatment of rheumatoid arthritis. Professor Ranjeny Thomas of Dendright Pty Ltd, a UniQuest start-up company, has developed a vaccine style therapeutic approach to treating rheumatoid arthritis. The approach is the first of its kind in the world and recently passed a phase 1 clinical trial. Rheumatoid arthritis is an incapacitating disease that causes pain and swelling in the patient's joints and affects over 450,000 Australians. The new vaccine style approach prevents the

patient's immune system from producing certain antibodies that cause inflammation in rheumatoid arthritis sufferers. This is a positive research outcome for Queensland, as the new research may eventually lead to vaccine style treatments becoming clinically available for rheumatoid arthritis patients, helping to alleviate this painful disease. The Queensland government supported the establishment of Dendright in 2004, providing funding through the Innovation Startup Scheme. The Advance Queensland initiative will reinvigorate research and development and ramp up Queensland's capacity to capitalise on our strengths by strategically investing in skills and partnerships.

Already the Palaszczuk government has launched the Advance Queensland Research Fellowships, the Advance Queensland PhD Scholarships and the Advance Queensland Women's Academic Fund. Further programs will be launched over coming months.

Mr BROWN: Minister, I refer you to page 3 of the SDS. Can you please advise the committee why it is important for the Advance Queensland initiative to include funding for research fellowships and how Queensland will benefit from that research?

Ms ENOCH: The Advance Queensland Research Fellowships program will help address the brain drain by providing research grants to keep the best and brightest research minds in Queensland and attract new talent from interstate and overseas. The program is also focused on increasing the pool of industry-savvy researchers and on helping it translate good ideas and research into commercial outcomes. To do this, the fellowships require researchers to collaborate and spend significant time with industry to assist in moving research from the lab into the wider world. The researchers will need to spend at least half of their fellowship based with the industry. This will foster an exchange of information and ideas, and assist in translating research into new products, processes and practices. Each fellowship proposal must have cash contributions from a sponsor and one or more partner organisations that equals or exceeds the Queensland government funding. The fellowships program will offer competitive grants of \$180,000 over three years for early career researchers and \$300,000 over three years for mid-career researchers, with a total of \$28.5 million over three years for these fellowships.

The research fellowships were launched by the Premier on 5 August and the first round will close on 16 October of this year. Researchers must apply for fellowship grants and their applications will be assessed by specialist panels to identify the most meritorious projects. The program is open to researchers who will work in a Queensland based university, government research organisation or not-for-profit organisation that conducts research. Specific focus is being placed on supporting cutting-edge innovation and also on attracting more women and regional placements.

The research fellowships are part of the \$50 million Best and Brightest Fund and are being offered alongside other programs that will continue to build a pipeline of world-class researchers with strong links and understanding of business and industry needs. These other programs include Advance Queensland PhD Scholarships that aim to attract and retain promising researchers in Queensland. This program will support undergraduates in gaining a research PhD degree. It will also encourage increased linkages and closer collaborations with industry and end-user organisations.

Advance Queensland Indigenous Fellowships are to address the underrepresentation of Indigenous researchers by offering funding to early-career Indigenous researchers. Advance Queensland Master Scholarships will foster greater participation in science by female researchers, Indigenous researchers and researchers from low socioeconomic backgrounds. Global Partnerships Awards support collaboration between Queensland and international researchers and entrepreneurs. This will offer graduates, researchers and emerging entrepreneurs the chance to engage and learn directly from overseas successes.

All the research programs are required to link to the Queensland research and science priorities to ensure that the government investment is squarely focused on delivering benefits to the community that meet the most pressing issues. These priorities have been developed by Queensland's Chief Scientist and include enhanced production technologies, tools and practices; protecting our biodiversity, including a focus on the Great Barrier Reef; cleaner and renewable energy technologies; building resilience and managing climate risk, particularly in tropical climates; the translation of health and biotechnology research; improved health services delivery; sustainable water use; water quality and security; and digitally enabled technologies. This fellowship program is continuing Queensland's strong research reputation in delivering a pool of talented and industry-savvy researchers who will be able to translate ideas into outcomes, while at the same time focusing those outcomes on areas of real need in our state.

CHAIR: Thank you, Minister. Are you now in a position to answer any questions taken on notice, earlier in the hearing?

Ms ENOCH: Yes, I am.

CHAIR: Time is running out, so if you could do that, please?

Ms ENOCH: There was one question with regard to cleaning up after drug labs and whether we follow departmental health guidelines? The answer is yes. The member for Everton asked about average rents. The department has informed me that as at May 2015 it is \$132.90 a week. I also make a small correction to the record. In an earlier answer to the member for Murrumba, I said that the ministerial working party for the review of manufactured homes had met 11 times, when in fact it has met 12 times. The Assistant Director-General Strategic ICT stated that the customer satisfaction for CITEC Information Brokerage was 90 per cent. The actual figure is 88 per cent.

CHAIR: The time allocated for the consideration of the expenditure of the Minister for Housing and Public Works and Minister for Science and Innovation has expired. On behalf of the committee, I thank you, Minister, the director-general and all of the officials for your attendance. The proof transcript of today's hearing will be available on the Hansard page of the parliament's website within two hours. I remind the department that the deadline for questions taken on notice and clarifying material is 12 pm Tuesday, 1 September 2015. That completes the committee's hearings into matters referred to it by the parliament. Before I conclude, on behalf of the committee I would like to thank the Hansard staff, the committee secretariat and attendants for their assistance today. I declare this public hearing closed.

Committee adjourned at 6.01 pm