

THURSDAY, 28 JULY 2016

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

Estimate Committee Members

Mr SR King (Chair)
Mr R Molhoek
Mr JN Costigan
Mr MJ McEachan
Mr DA Pegg
Mr CG Whiting

Members in Attendance

Mr MJ Hart
Mrs JR Miller
Mr AC Powell
Mr JH Langbroek

In Attendance

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

Ms D Spinks, Chief of Staff

Department of Energy and Water Supply

Prof. P Simshauser, Director-General

Mr B Barr, Deputy Director-General, Energy

Mr K Sedgwick, Deputy Director-General, Water

Energy Queensland

Mr T Effeney, Chief Executive Officer

Seqwater

Mr P Dennis, Chief Executive Officer

Department of Transport and Main Roads

Mr N Scales, Director-General

Far North Queensland Ports Corporation Limited

Mr C Boland, Chief Executive Officer

Gladstone Ports Corporation

Mr P O'Sullivan, Chief Executive Officer

Committee met at 9.00 am



CHAIR: Good morning. I declare open this estimates hearing for the Transportation and Utilities Committee. I acknowledge the traditional owners of the land on 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. Other committee members are Mr Jason Costigan, the member for

Whitsunday; Mr Matt McEachan, the member for Redlands; Mr Duncan Pegg, the member for Stretton; and Mr Chris Whiting, the member for Murrumba. The committee has also given leave for other members to participate in the hearing today. I welcome Mr Michael Hart, the shadow minister for energy, biofuels and water supply and member for Burleigh. I also welcome Mrs Jo-Ann Miller, the member for Bundamba, who is visiting us today for this session.

In relation to the media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live by the Parliamentary Service website and to receivers throughout the parliamentary precinct. I ask that mobile phones or pagers be either switched off or switched to silent. Also, I should remind you that food and drink is not permitted in this chamber.

Today the committee will examine the areas of responsibility for the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply and the Minister for Transport and the Commonwealth Games in the order outlined on the hearing program. The committee will now examine the proposed expenditure contained in the Appropriation Bill 2016 for the portfolio areas of the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply. The committee will examine the minister's portfolio areas of Energy and Water Supply from 9 am to 11 am and then examine the portfolio areas of Main Roads, Road Safety and Ports from 11.30 am to 1.30 pm.

I remind those present today that these proceedings are similar to parliament and are subject to the standing rules and orders of the parliament. I also remind members of the public that, under standing orders, the public may be admitted to or excluded from this hearing at the discretion of the committee. It is important that the questions and answers be relevant and succinct. The same rules for questions that apply in parliament apply here. I refer to standing orders 112 and 115, and therefore questions should be brief, relate to one issue and should not contain lengthy or subjective preambles, argument or opinion. I intend to guide proceedings today so that relevant issues can be explored 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 answer to a question should be finalised so that other issues can be examined.

On behalf of the committee, I welcome the minister, officials and members of the public to this hearing. For the benefit of Hansard, if advisers are called to answer, please state your name before speaking. I now declare the proposed expenditure for the areas of responsibility administered by the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

Mr BAILEY: I would, thank you, Chair. I welcome the committee and all officers and public servants here this morning. The Palaszczuk government is committed to creating jobs and enhancing productivity, delivering quality front-line services, protecting our environment, increasing road safety and transitioning Queensland to a clean-energy economy, and our budget shows this commitment without asset sales. Upon forming government we inherited surging electricity prices, little investment in new renewable energy generation and technology, and a loss of 1,300 jobs in this emerging sector under the previous government.

Today, the Palaszczuk government has stabilised electricity prices, with the typical household seeing an average increase of 1.2 per cent over the first two years on average of this government, compared to the 43 per cent increases over the term of the last Nicholls-Newman LNP government. The Palaszczuk government is delivering on our election commitments. We are now more than halfway through the solar target of 3,000 megawatts or one million solar rooftops by 2020. We are turning the Sunshine State into the solar state. Solar is now equivalent to Queensland's second largest power station. Our Solar 120 commitment has tripled our renewable energy election commitment, and the independent Renewable Energy Expert Panel is currently working with Queenslanders to establish credible pathways to a 50 per cent renewable energy target by 2030.

We delivered on our election commitment to deregulate South-East Queensland's electricity market, ensuring stakeholders were fully consulted, well informed and contributing to our education campaign, which is now underway. We are developing new industries, such as Queensland's biofuels and industrial biotechnology sectors, advancing Queensland jobs of the future. We have legislated the biofuels mandate to start on 1 January next year as part of our biofutures strategy.

We are delivering a record investment for roads and transport infrastructure of more than \$20 billion over four years, as outlined in the Queensland Transport and Roads Investment Program, QTRIP. Some \$15.2 billion is for planned investment in road and maritime infrastructure, supporting an estimated 12,000 direct jobs over the life of the program, with many in Queensland's regions. Our budget investment includes funding the Deputy Premier's State Infrastructure Plan, such as \$40 million for a timber bridge replacement package on the Dawson Highway between Gladstone and Biloela, a \$30 million duplication of Riverway Drive in Townsville from Gollogly Lane to Allambie Lane, the \$22 million Sunshine Coast University Hospital intersection upgrade package at Kawana Way and Nicklin Way, and the \$10 million stage 1 of the Rockhampton road train access.

Infrastructure projects valued at \$144.6 million, mostly in regional Queensland, have also been fast-tracked under the Premier's Accelerated Works Program to bring forward jobs in regional Queensland. We have put \$42 million on the table for the M1 merge upgrade and \$44 million on the table for the upgrade of the M1 between Mudgeeraba and Varsity Lakes. The delivery of these safety and productivity projects needs an 80 per cent Australian government commitment under its own National Land Transport Network rules, which is exactly how the M1 is funded just across the border in New South Wales.

The government also has a particular responsibility when it comes to safety on our roads and seas. We are implementing our Queensland road safety strategy and a two-year road safety action plan, which sets a long-term vision of zero deaths and serious injuries. We are well on the way to delivering our action plan, investing more than \$500 million in 57 key initiatives, including motorcycle licensing reforms, wide centre-line treatment rollouts, double demerits for repeated mobile phone usage and the new Settle Down Stallion online digital campaign designed by young people for young drivers via our CO-LAB project. As more and more Queenslanders are heading out to enjoy our waterways, the Palaszczuk government has committed to a two-year \$30 million extension to the Marine Infrastructure Fund for new and upgraded boat ramps, floating walkways and pontoons.

Across my portfolio, we are also committed to the innovation agenda. In the energy sector we are at the cutting edge of battery technology and storage, and in transport and main roads we are preparing our community with intelligent transport systems.

Ensuring Queenslanders continue to have access to a safe, reliable and cost-effective water supply is essential, and we are continuing planned upgrades to the state's water infrastructure. Through keeping our government owned corporations such as Seqwater, SunWater and the newly merged Energy Queensland and our ports in public hands, we can continue to ensure they work for Queenslanders. I look forward to discussing in more detail this year's 2016-17 budget today. Thank you, Chair.

CHAIR: Thank you, Minister. I ask the member for Burleigh if he wishes to start questions.

Mr HART: My first question is to the director-general. Director-General, how much can South-East Queensland households save due to deregulation of the South-East Queensland energy market—

Mr BAILEY: I am sorry, Chair: can I ask what part of the budget this is referring to, in the SDS?

CHAIR: Member for Burleigh, do you have an SDS reference?

Mr HART: I am sorry. Every question I have today refers to the SDS. I say that at the start. This question relates to page 3 of the SDS, Minister.

CHAIR: Thank you, member.

Prof. Simshauser: In the marketplace at the moment, for a customer who is sitting on the default tariff, if they chose to move off that and select a market contract, depending on their household load and depending on which retail supplier they went with, they could expect to save somewhere between \$100 and \$400 on an annual basis.

Mr HART: Minister, I refer to question on notice No. 19. In 2015-16 you spent just \$293,000 on the energy consumer education program after delaying regulation for 12 months. I ask: is not this proof that you are asleep at the wheel and has the lack of education cost Queensland families hundreds of dollars—

CHAIR: Member, please rephrase that question without the imputation.

Mr HART: Minister, I refer to question on notice No. 19. Your reply shows that in 2015-16 you spent just \$293,000 on the energy consumer education campaign, after delaying deregulation by 12 months. Has this lack of education not cost Queensland families hundreds of dollars, given what the director-general just told us?

Mr BAILEY: The answer is absolutely not. What we saw 12 months ago was deregulation being enforced on Queensland without the consumer groups that advocate for vulnerable consumers being properly involved in the process. Very few people knew that it was occurring. We saw the Queensland Council of Social Service, the Queensland consumers alliance and National Seniors all saying that we were not yet ready to go to deregulation, in terms of people being able to take advantage of the marketplace. When we came to government, we listened to those advocacy groups for our vulnerable consumers. We sat down with them. I sat down with them and talked with them about their concerns. It was on that basis that we deferred deregulation.

Of course we have deregulation now, but 30 per cent of the market do not switch and do not move between providers. Largely, to be honest, they do not really understand how they can take advantage of a deregulated marketplace. The whole purpose of the consumer education campaign is to empower people to do that and give them the information they need. Unless they have that information and it is well targeted, they will not be able to take advantage of the marketplace.

That is exactly the scenario we were facing under the previous LNP government, where they had not done that hard work. They had not done the consultation with advocacy groups to prepare the marketplace, to get a campaign. In fact, there was no education campaign in place by the previous government. There had been no groundwork done, whatsoever. We made sure that we worked with those groups such as QCOSS and the Queensland consumers alliance to make sure that the education campaign was well targeted towards the people who need it most.

You can see now that this campaign piggybacks on the offers in the private marketplace. It has started now. Once a lot of the private companies have put out their offers so that they can be compared, the whole strategy is to piggyback off the private marketplace offers and to give people the tools to do that. I think it is a very effective campaign. We are seeing it right across TV, radio and print. It is targeted through those group networks. It is targeted at people from a non-English-speaking background, so that they can get access to it and they can benefit from the campaign.

That was not in place 12 months ago, under the previous LNP government. It was a fairly irresponsible way of going about things. This government will do everything it can to support those vulnerable consumers in the marketplace, to help them to take advantage of those savings of between \$100 and \$400 per year. We have done the hard yards. We have done the collaboration. We have worked hard with those consumer groups. We will keep doing that. That is the effective way to deliver this and to deliver those savings to those people. If we had allowed it to go ahead without that groundwork being done, as had been set up by the previous LNP government, of which you were a member, we would have seen those people unable to access the information or understand how they could benefit and how they could save that level of money.

Mr HART: Minister, you delayed deregulation by 12 months, from 2015 to 1 July this year. You blamed the lack of education of consumers for that delay, yet it appears as though there was no education of consumers before the introduction of deregulation on 1 July. In fact, you had one staff member in your office working on it for one month before deregulation started.

Mr WHITING: Point of order. Is this in relation to the SDS or is this a follow-up question?

Mr HART: This is a follow-up question to the minister's response. Minister, can you not see that that has cost consumers in Queensland a lot of money, because they were not aware that there was the opportunity to change suppliers and they have been moved onto default pricing?

Mr BAILEY: Certainly I refer you to my fairly extensive previous answer, which is that those people, that 30 per cent of the market who have not switched before—and we have had very low switching rates, compared to New South Wales and Victoria. They were not switching because they did not know how to do that. They did not know how to take advantage of it. Unless the work is done to empower those people, there is no way they can benefit from savings of \$100 to \$400 a year. We have done that work. Your government did not do that work. There was no lead-up work about a campaign when I took over as the Minister for Energy.

Mr HART: There still has not been, Minister.

Mr BAILEY: I would just let me finish my answer—

CHAIR: Please let the minister finish his answer.

Mr BAILEY: None of that work was done. If we had allowed deregulation to go-ahead on the timetable of the previous government, we would have seen very low success rates. The very nature of this campaign is that it piggybacks. The advice of our agencies is that the most effective way to do this is to allow those private offers to go out into the marketplace for the first few weeks and the public consumer education then chimes in and piggybacks off those offers. What we are going to see is more and more people taking those offers up.

It is a very complex process of targeting those vulnerable consumers. There are a whole lot of different segments. We are working with QCOSS, QCA, National Seniors and other groups to make sure that those people get the information they need. That was not the case under the previous LNP government. They rushed into deregulation. They were not really that concerned about genuinely targeting the vulnerable people in the marketplace who did not understand how to take advantage of that.

We have done those hard yards. We are seeing this education campaign rollout now. It is a very good campaign. I am very happy to see how distinctive it is and how it stands out. It will continue over some time. It is a very well-resourced campaign with \$3.3 million in funding. I think your characterisation of light resources is quite unfair and inaccurate.

It is a substantial public campaign. It is right across a whole range of media sectors, whether it is TV, radio, digital, on the web, social media. It is a sophisticated campaign. I think that it is premature for you to be casting judgements when we have not even finished the first month of deregulation.

This is a process that will continue for quite some time. The ability to measure the campaign will only come over time. I think you should give it a fair go and see how it goes. All the signs so far are that it is a very good campaign. It is very well targeted because we were keen to work closely with the groups like QCOSS and QCA, something the previous LNP government—which, to be quite frank was a bit arrogant and a bit aloof—was not interested in doing.

CHAIR: Minister, I ask you not to be argumentative.

Mr HART: When did the campaign start? What have you done so far?

Mr BAILEY: The campaign started in the last week or two and it piggybacks, as I previously outlined—

Mr HART: So it started after deregulation?

CHAIR: Member for Burleigh, you have asked the question.

Mr BAILEY: The nature of the campaign, as I have outlined twice already to the committee, is that it piggybacks off the initial offers by the private marketplace. That is the whole design of the campaign. You cannot compare offers, I would suggest to the member for Burleigh, unless the offers are actually out there in the marketplace. It is a logical thing. Unless those offers are out there to compare then the campaign is not properly timed.

What you are seeing now is the initial range of private offers being rolled out. We worked very closely with the private companies in this regard, including some of the new ones that are moving into Queensland, and they said to us that they are not all going to be rolling out all of their offers on 1 July. They will be doing things progressively. They have different business models and different priorities.

We listened to that when we designed our consumer education campaign. We are a listening government. We are keen to work with stakeholders, whether they are private companies or consumer groups. We designed it based on that consultation and that understanding of the industry and also of the advocacy sector. That is how we designed it. That is an effective campaign. It is going well out there.

I suggest to the member for Burleigh that he should give the campaign some time before he casts judgement on it. I know he wants to attack the government over it, and that is fine, but I think you have to give it a little bit more than three weeks or so before you cast judgement on what is going to be a substantial campaign over time.

Mr HART: You delayed deregulation for 12 months because you say there was no education program and yet you have run no education program yourself before starting deregulation. How do you explain to the people of, say, Bundamba that they have missed out on those savings for over a year now?

Mr BAILEY: As I have just outlined, it is my concern for the vulnerable customers out there that we made sure that we got this right and did not rush into it and that we worked with the advocacy groups like QCOSS and QCA to give the vulnerable end of the market the information and tools in ways that they understand to take advantage of the marketplace. What we saw under the previous government is rushing into deregulation with the consumer groups and advocacy groups saying very clearly and very publicly, I might add, that they did not believe that we were ready for deregulation.

It was not just me saying that, a range of groups who understand this marketplace were saying that people were not ready for it. We listened to them. We worked with them. If we had allowed it to continue as it was we would have seen very low switching rates. I do not know what the campaign would have looked like because basically the Nicholls-Newman government had not done the hard yards to actually put the campaign together before we took office.

Let us be very clear about this, when I took office as Minister for Energy there was no campaign put in place by the Nicholls-Newman government for deregulation that was going to happen in a few months time. There was none whatsoever. There were no creatives and no ideas. There had been no work done about what a campaign would look like.

Mr HART: Oh, my God!

Mr BAILEY: These are the facts. I hear you groan; it made me groan.

Mr HART: Eighteen months and what have you done?

Mr BAILEY: We are about being effective and getting it right and working with those groups to make sure it is an effective campaign. We will work with those groups, like QCOSS and the Queensland Consumers Association, that know, understand and work with the vulnerable end of the market. We are not going to ignore them like the previous government did. We will work with them and we will work with the private sector and energy companies to piggyback off their offers out there.

That is what you are seeing at the moment. It is going to be a very effective campaign. I am very confident of that. I again say to the member for Burleigh to let the campaign progress. It is going to continue for some time. I think casting judgements after only three weeks is more than a little premature.

Mr HART: Director-General, given that if people do not switch their supplier they go on to a standing offer, if they did not know that they could switch because there had been no education program run before deregulation hit on 1 July, what is the difference at present between market contracts and standing offers? Can you tell us that?

Prof. Simshauser: With the standing offer tariffs and the market offers available the prices in our market are actually nonlinear. What I mean by that is that the price of electricity is structured as a two-part tariff. There is a fixed charge and then there is a variable rate for the amount of consumption. All households have historically been charged the same fixed charge and the same variable rate. In the deregulated market rival retailers are able to choose the mix of fixed and variable that they offer in the marketplace. A healthy marketplace will actually have quite a variety of fixed and variable offers.

Households consume different levels. A small household that finds a supplier that has a low fixed charge and high variable rate, will do very well. Similarly, a larger household that finds a supplier with a high fixed charge and a low variable rate will do very well, and vice versa. The general range that we have seen in the marketplace is between \$100 and \$400 difference between standing offer tariffs and market offers.

Mr HART: Director-General, has the decision to defer the deregulation of South-East Queensland's retail electricity market deterred new retail providers from entering the market?

CHAIR: That is a hypothetical question. I will ask you to rephrase it.

Mr HART: Director-General, there was no education program run before deregulation started on 1 July. Has your department done any work with new retailers to encourage them into Queensland? Has the feedback from those retailers been that because of the delay in deregulation they may have been a bit hesitant in coming in Queensland?

CHAIR: There are two questions there.

Prof. Simshauser: My deputy director-general and I have met with a number of retailers in the period leading up to deregulation. To be honest, our primary focus was to make sure that they were preparing, that they were ready for offers, that they were aware that we had an education campaign program so that we could collectively piggyback off each other in the marketplace to stimulate activity.

I cannot recall having any conversations with any of those retailers as to whether they would have come in earlier or not. Really the point of all of those conversations was very much to make sure they did have their advertising and collateral ready to go. Our primary interest was to make sure that when 1 July came from that day onwards customers would be able to hit very competitive market offers. I guess that was our focus.

Mr HART: How many new retailers have come into market since 1 July?

Prof. Simshauser: I would have to take that on notice, to be honest.

Mr Barr: It is still pretty earlier. I will have a check. I think there might have been one in the small business area, but I would need to check.

Prof. Simshauser: I would have to check.

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

Mr BAILEY: Sure.

CHAIR: Are you continuing with this line of questioning?

Mr HART: Yes. Minister, you wrote to me on 21 July about the education program rollout. I assume you wrote to every MP in Queensland. Would that be safe to say? In that letter you say that the 'Click, call, ask' campaign will be rolled out in coming weeks? What does that mean? If on 21 July the program is rolling out in coming weeks, does this mean this whole process has not started yet?

Mr BAILEY: Strictly speaking that advice is correct. What I took was the best advice about what is the most effective advertising campaign to give people the information they need. The latest advice that came back to me was that we should be having a piggyback campaign on the basis that the private marketplace will be quite busy with offers, both standing offers being repromoted and also new offers. That is exactly what we have been seeing in the marketplace.

A final decision was made that we would do a piggyback campaign because that was the most effective way. As the Minister for Energy, I am absolutely committed to being as effective as I can possibly be. The advice was accurate at the time I gave it to you and was given in good faith.

The advice to me about the most effective campaign was in fact that we needed to be in sync with the private marketplace and what they did out there from 1 July. The information was that not every company was going to be out there on 1 July with all their offers. It was going to be a progression over the first couple of weeks. We worked with some of those private companies to understand that.

It was on that basis, as we approached it, that we shaped our public consumer education campaign to piggyback off those offers so that people could then use the tools that we were giving them online as well as direct information, whether it be on the web, radio or TV. We were very clear about communicating with all kinds of people, whether they were digital natives or perhaps not even on the web. We made sure people could still get information in traditional forms—in their local papers. We designed it that way. The best advice was that the campaign should piggyback off the offers from the private marketplace and that that was the best and most effective form. I took that advice. I proceeded on that pathway. I think we are seeing a very good campaign out there.

Mr HART: When you told the committee 10 minutes ago that the campaign had already started, that is in fact not the case; it is still weeks away from starting. Is that what you are saying?

Mr BAILEY: I thank the honourable member for his question. If you have not seen our campaign, it is out there prominently. It is in all kinds of media and on the web. It is out there.

Mr HART: The 'Click, call, ask' campaign has started?

Mr BAILEY: There are forms of the campaign out there—absolutely, for sure. I have seen it. I would be surprised that you have not seen it, in fact.

Mr HART: No, I have not actually.

Mr BAILEY: I do not know what your media habits are.

CHAIR: Are you nearly finished with this line of questioning?

Mr HART: Yes.

CHAIR: We might go to government members.

Mr HART: I will move on to another line of questioning, if that is okay.

CHAIR: Government members are itching to ask some questions, starting with me. Minister, I refer to page 3 of the Service Delivery Statements. Could you please advise what the Solar 60 scheme is and why it has become the Solar 120 scheme?

Mr BAILEY: Absolutely, Chair. Thank you very much for the question and thank you for your interest and, I might say, support in renewable energy in Queensland. At the last election the Palaszczuk government took a commitment to the people of Queensland that we would have a reverse auction of 40 megawatts of renewable energy, which is a very efficient and cost-effective form of commencing large-scale renewable energy. What we have found with the reducing cost of renewables and solar is that we could get better value for it. In fact, the falling costs have meant that we believe that for the same outlay we can get triple that amount. It became the Solar 60 program; now it has become the Solar 120 program where we work with the Australian Renewable Energy Agency, who are doing fantastic work in transitioning our energy sector to a clean-energy economy.

What we are seeing for the first time in Queensland is the commencement of a large-scale renewable energy industry in our state. It is a little embarrassing that it has taken this long, because other states have stolen the march on Queensland because the previous Nicholls-Newman government was hostile to renewable energy. We do remember only two years ago Tim Nicholls infamously abusing solar users for being latte sippers and champagne drinkers.

Mr McEACHAN: I raise a point of order. That has nothing to do with the question.

Mr COSTIGAN: It has plenty to do with politics.

CHAIR: The minister is answering the question. I ask you not to be too argumentative.

Mr BAILEY: Sure, not at all. We are committed to starting a large-scale renewable industry in Queensland. What we found when we came into government was that we had lost 1,300 jobs in renewable energy at a time when, clearly, the transition was happening and all the investment was going to New South Wales, Victoria and South Australia. We are keen to make sure that Queensland gets its fair share and that we transition to a clean-energy economy in Queensland—and of course the jobs that go with it.

We do very well on rooftop solar. It is nearly three rooftops in 10 in Queensland—450,000. We are doing very well. In terms of large-scale renewable energy, we are very modest in terms of where we are at the moment. They will all be in regional Queensland. We have partnered with ARENA as part of the national 200-megawatt round. We are going up to 120 megawatts of that 200 round—the majority of it. These large-scale solar projects will be in regional Queensland. There is a short-list now of five, of which I expect the majority may well come to fruition. They are based in regional and largely North Queensland. That is great news for jobs in terms of our regional economy here in Queensland. It is great in terms of our commitment to act on climate change, to transition our energy sources to zero and low emissions. We are absolutely committed to doing that.

Mr MOLHOEK: I raise a point of order. I thought the question was to explain why the name has been changed from Solar 60 to Solar 120.

CHAIR: The question was regarding solar and Solar 120, yes.

Mr MOLHOEK: I am still trying to understand what the 60 means and what the 120 means. I thought that was the question.

CHAIR: The minister is able to answer the question in any way he sees fit and I am sure he is getting to the part that you are asking about.

Mr MOLHOEK: No. He is meant to answer the question, not as he sees fit.

CHAIR: He can answer the question in any way he sees fit.

Mr BAILEY: I am happy to inform the member for Southport that 120 refers to 120 megawatts of power produced by large-scale renewable energy as part of the national round of 200 megawatts. We initially committed to 40 megawatts at the last election. Because of the excellent value in the marketplace, we have been able to triple that commitment for a similar outlay. This is fantastic news.

Mr MOLHOEK: This is—

CHAIR: Can you please allow the minister to answer the question? It was my question, after all.

Mr BAILEY: I will just finish answering. We are seeing large-scale renewable energy starting in Queensland and the jobs that go with it in terms of its construction. We are seeing with the Clare Solar Farm, just below Townsville, the PPA being signed. That was described as a solar turning point in Australia in the *Australian Financial Review*. We are seeing heavy construction starting at the

Barcaldine Solar Farm, which I visited about a month ago. That is a very exciting project as well. We are seeing the Lakeland solar farm in Far North Queensland being proposed which has a very interesting innovative battery storage component to it. We are seeing a range of other private proponents. I understand that there are also some approvals happening on the Darling Downs, for instance. It is a very exciting period for Queensland. The Palaszczuk government is absolutely committed to transitioning to a clean-energy economy and making sure that we create the jobs that go with it, particularly in our regional Queensland areas.

Mr WHITING: I applaud the minister for taking action and for pushing the renewable energy sector. I refer to page 4 of the SDS. Could the minister please outline the relationship between government owned energy corporations and the renewable energy sector in Queensland, specifically in reference to the Mount Emerald Wind Farm?

Mr BAILEY: I thank the honourable member for his question. I can assure him that this government is committed to embracing new industries, to working with business to generate investment and jobs and to working today to build the sectors in our economy that we need into the future. Earlier this year the Premier and I welcomed the agreement that Ergon Energy had negotiated to purchase power from the upcoming Mount Emerald Wind Farm in Far North Queensland. This follows Ergon's expression-of-interest process for up to 150 megawatts of renewable energy. The wind farm will in fact deliver an impressive 170 megawatts. That is 20 megawatts more than the expression-of-interest process sought and it is 15 times the level of wind energy currently installed in Queensland. I think that gives you a sense of the scale of it.

This project is based on the Tablelands in Far North Queensland. It will boost and diversify the local economy and it will be big enough, effectively, to power a city the size of Mackay. It is estimated to be worth \$900 million in direct and indirect benefits to the Far North Queensland economy over the life of the project. The station has the potential to power 75,000 homes each year. The project would also create around 200 construction jobs over a two-year period. Here is another big number for you: the power station will generate 500,000 megawatt hours of electricity in a year. Ergon has offered to purchase this power for 12½ years under the PPA. It is a venture that is put forward by Ratch Australia. The government is clearly delivering on its embracement of new industries.

When I went to North Queensland early on as the Minister for Energy people asked, 'When are we going to have our own power station?' The answer is that there will be new power stations in North Queensland. They will be renewable power stations putting out clean energy, whether it be wind or solar. I note that in this morning's *Cairns Post* there is an announcement that the Mount Emerald Wind Farm will start by Christmas. That is very exciting news. That means jobs for Far North Queenslanders as well when you look at a wind farm this size. That is much needed employment opportunities. I am sure that will be very welcomed by Far North Queenslanders and no doubt by people right across the state.

Mr PEGG: Minister, further to your response to question on notice No. 1 and with reference to page 4 of the Service Delivery Statements, could you please advise (a) what developments have we seen in the large-scale renewable energy industry over the last three years and (b) to what extent are these changes the result of differing attitudes between the current government and the former LNP government?

Mr BAILEY: I thank the honourable member for his question and, again, I thank him for his support for renewable energy in Queensland and the transition. I know that he is a very passionate supporter of it. I am very pleased to advise the member that private investment in renewable energy is booming in Queensland—and 'booming' is the only word for it. The Palaszczuk government is focused on advancing Queensland which is why we are actively working with business and the private sector to get more renewable energy and more jobs of the future here in our state.

Currently the state has five megawatts of operating utility-scale solar—1.7 megawatts in Weipa on an isolated network and a 3.3-megawatt test facility at the University of Queensland's Gatton campus. This does not compare favourably to the massive investments in Victoria, South Australia and New South Wales. The government is committed to capitalising on its strong foundations of world-class resources and growing our large-scale renewable energy capacity. Thanks in part to the Palaszczuk government's commitment, we are seeing an unprecedented number of clean-energy projects starting up in Queensland. Some 4,000 megawatts of solar, 1,500 megawatts of wind and 500 megawatts of other types of generation have been proposed.

While no large-scale solar projects were built for three years under the previous Nicholls-Newman LNP government, the government will see between 300 and 400 megawatts of large-scale solar built before the end of 2018, and that is not too far away. This shows the important

role a government plays in encouraging this economic development and these jobs in Queensland. The former Nicholls-Newman government's attitude to renewables can only be characterised as hostile. I am sure we all remember those comments I referred to earlier. The Palaszczuk government is committed to restoring engagement with the renewables industry. Not only is renewable energy better for our environment; it is also essential for our economy.

During construction, renewable energy projects will be generating jobs in the regions at a time when jobs and job security are more important than ever. For example, Origin Energy recently entered into a contract with Fotowatio Renewable Ventures, or FRV, which is a little easier to say, to purchase solar power from the proposed 100-megawatt Clare Solar Farm in North Queensland just south of Townsville. This is a major investment in North Queensland and regional Queensland. It will also bring a significant number of skilled jobs to the Clare region during construction. The \$80 megawatt price on Clare, as I mentioned, was written up as a turning point in the *Australian Financial Review*.

Also in North Queensland, the Lyon Group project at Lakeland within the Cook shire will deliver 36 megawatts of solar PV with a 5.4-megawatt-hour lithium based battery storage system. I recently visited their construction site. They have ample sunshine to take advantage of. The Barcardine Solar Farm, which I referred to earlier, is a 25-megawatt concern over 80 hectares. The Normanton solar project is also underway to deliver five megawatts of solar power in north-west Queensland in this remote community, along with the Cook shire solar and battery storage project, which will deliver, as I said, 36 megawatts.

There are many more. The Whitsunday Solar Farm, the Lilyvale Solar Farm, the Ratch solar farm at Collinsville and Forsyth Wind Farm have all received development approvals from their relevant local councils. The Bulli Creek Solar Farm project, which could generate up to a massive 2,000 megawatts, has been approved by the Toowoomba Regional Council. Just last week the Western Downs Regional Council approved a 30-megawatt solar farm near Dalby saying, 'The third wave of energy development is here and this project is a big investment into the Western Downs' largely untapped potential for this alternate energy resource.' The solar farm is to be constructed by FRV over the next 12 months and create 90 jobs during the construction phase. It is clear that industry is now confident in the long-term future of Queensland as a home for renewable electricity generation, as I am sure they are aware that this government is absolutely supportive of that direction.

I also note that just yesterday it was announced that the Queensland Investment Corporation would be partnering with AGL in an investment fund which aims to own 10 per cent of the renewable energy capacity across the whole country. There is a great future for clean, renewable energy here in Queensland. I am proud to be part of a government, the Palaszczuk government, that is getting the policy settings right to make sure that a clean-energy future happens in Queensland.

Mrs MILLER: Minister, motorists are sick and tired of the gouging in relation to unpaid tolls. In fact, I am aware of motorists who have been issued in excess of 100 unpaid tolls.

CHAIR: Member for Bundamba, sorry, but this is the Energy and Water part of the portfolio.

Mrs MILLER: That has been determined by the committee?

CHAIR: Yes. After morning tea we will be discussing Transport and Main Roads. Apologies if I did not explain that.

Mrs MILLER: No, you did not explain it. Minister, I would like to talk about energy now. Minister, in relation to energy costs in our local community, particularly in relation to the cost of power, many people in my community are having their power switched off by the power companies. Then they have to pay the money again to get the power switched on later on. Community organisations such as Anglicare, St Vincent de Paul and others like the Salvation Army are sick and tired of having to pay to help these families in winter in Ipswich, which is very cold. What are you doing to assist those families?

Mr BAILEY: I thank the honourable member for her question. I know that she is a very passionate advocate for her constituents. In a moment I will ask Terry Effenev, the CEO of Energy Queensland, to talk about the provisions that the company has to help people in that situation. The first thing to do in terms of trying to reduce the level of disconnections out there is to get prices under control. What the Palaszczuk government has done is stabilise electricity prices for the first time in Queensland in some time. We saw price increases of 43 per cent under the previous Nicholls-Newman government—really out of control. What we have seen in the first two years of the Palaszczuk government is an average price increase in regional Queensland of about 1.2 per cent per annum. That is a marked improvement in terms of stabilising prices and seeing that locked in over time.

We are seeing those kinds of improvements in the South-East Queensland market as well. First and foremost, we want to reduce disconnections. There was a large number of disconnections in the last year of the Newman government in 2014. We are absolutely trying to get stabilised prices for customers so they are not seeing those double-digit increases every year that we saw under the Nicholls-Newman government.

In terms of a range of things that we do to assist vulnerable customers, I can inform you that in 2015-16 energy concessions were provided to a significant number of Queenslanders via a number of different mechanisms. The electricity rebate scheme assisted about 505,000 households with assistance of \$320 per annum. There was the electricity life support concession scheme for approximately 3½ thousand people. The Reticulated Natural Gas Rebate scheme assisted 32,900 households. The Medical Cooling and Heating Electricity Concession Scheme assisted more than 3,850 people. The Home Energy Emergency Assistance Scheme assisted more than 9,800 people.

We are absolutely committed—and I am sure you would support us in this—to working with QCOSS and the Queensland Consumers Association. We meet with them regularly to talk about those issues around vulnerable customers. They are very much aware of the trends that are happening out there. We work in partnership with them. We have a new agreement with QCOSS. It is a four-year agreement worth about \$1 million for them to assist us and for us to get information out to people and work with people. I might ask Terry Effene, our CEO, to cover anything that I might have overlooked.

Mr Effene: I am the interim Chief Executive Officer of Energy Queensland. Energy Queensland is a holding company that has both Energex and Ergon Energy. In relation to your constituents in Ipswich, that is not a retailer within the EQL. They are private retailers, whereas in regional Queensland Ergon Queensland is the retailer for those customers. I can speak about what happens in regional Queensland. I cannot speak specifically about what happens in South-East Queensland in relation to the programs that those retailers have other than that every retailer who operates in the market under the AER must have hardship programs and must work with customers to deal with those particular issues. If you like, I can comment on what we do within regional Queensland.

Mrs MILLER: My question particularly relates to my own constituency, but I must say that on many occasions I have personally paid to have the electricity switched on for my local people because it is very hard for them. Minister, I must make a comment in relation to this: it is okay to have QCOSS and everybody else involved in this, but when you are having a cold shower, you cannot have a hot meal and your fridge is not working, the last people they are going to ring is QCOSS or anybody else. The situation is that they need the money that day or very quickly thereafter to be able to support their family. It is a very big issue in the community generally, particularly in the winter months. If people are cold, they do not have heating and they do not have hot showers, they end up with the flu and they end up being a burden on the medical profession. I am asking: who do they go to first when it looks like their power is going to be disconnected?

Mr BAILEY: My director-general would like to make a comment.

Mrs MILLER: They usually come to me, by the way.

Mr BAILEY: And electorate offices generally I think.

Prof. Simshauser: One of the important developments as a part of the most recent reforms by the Queensland government has been the rolling out of the national energy customer framework. That framework requires all of the retailers to have a hardship scheme. It places some obligations around what firms must do with households that are in financial distress.

All electricity and gas retailers operate under this code in our state as a result of it being put in place on 1 July 2015. All retailers must have a hardship scheme. The significance of that is that, if a household is unable to pay their bill, they need to reach out to their retailer and explain as much. Once they have done that, the retailer is under an obligation to put them on a hardship scheme, to not disconnect them and to put them on a suitable payment plan. All of the retailers have these schemes. If you look at Origin and AGL, they have very sophisticated and well-designed schemes to deal with households in hardship.

When those households identify themselves as being in hardship, there are specialist teams inside those organisations who do nothing other than look after households in that situation. The first thing they will do is make sure that they are not on a default tariff. They will put them on one of the best tariff arrangements for their circumstances, and you would hope that organisations in good faith would do so. The next thing they do is start talking to them about what they can afford to pay especially when

you have had large bill shocks, and I know that you know that all too well. They arrange for payment plans. The organisations themselves are very flexible around that—weekly or fortnightly or monthly payments. They are happy to line them up with whatever payment streams households have.

Thirdly, they will then walk through the household and try to give them some guidance on what organisations they should be getting in touch with. For example, if they are a Queensland senior, check that they have nominated themselves to be on the concessions framework that the state has and so on. There is quite an elaborate process. I think what you are experiencing is households not engaging with those retailers, because, once a household puts up their hand, unless they stop engaging with the retailer, the retailer will always do their best to keep them with their supplies for the obvious reason that electricity is important. There is a certain minimum of electricity that is an essential service.

Mr BAILEY: Another measure that has been brought in from 1 July is fixing up an anomaly for people who live in mobile parks. Previously the proprietors were not bound to pass on the rebate and they did not always do that. Some of them did the right thing, and good on them, but sadly we had pensioners living in mobile parks who were not getting the rebate passed on because of management. I find that kind of behaviour absolutely reprehensible. My aunt used to live in a mobile park. That sort of behaviour is now dealt with. They have to pass that on as of 1 July this year, and I think that is a good move, too.

Mr HART: Minister, before I move to my next line of questioning, your government was elected at the end of January 2015. Why did you not run an education program for deregulation that was due to start five months later if it was that important?

Mr BAILEY: I thank the honourable member for his question. I will offer some follow-up information on that matter and the question you asked previously. The launch of the campaign was 11 July which included extensive web and social media advertising. On 17 July we saw TV adds start to occur—that is nearly two weeks ago now—across all stations at all times. This will continue through until October and it will be reviewed at that point in terms of how it is going. Radio advertising has also been happening including a lot of ethnic radio. That is a key target group in terms of our consumer market. That is a very specialised form of advertising; you may not have seen that. Quest newspapers start next week and we have out-of-home advertising—that is, billboards, bus stops and in the street sorts of things—starting from the beginning of August which is only a few days away. Cinema advertising will start in September. We are looking at collateral information going out through our partners like QCOSS, COTA and other groups and other publications through Clubs Queensland, for instance, and Mamamia. I think you can see that the campaign has been going now for nearly three weeks. I am sorry that you have missed that—

Mr HART: Deregulation started a month ago.

Mr BAILEY: I am sorry that you missed that, but what we are seeing is a very extensive campaign.

Mr HART: Minister, we will move on. Can I have the interim chair of Energy Queensland back, please. Mr Effenev, can I ask you whether the merger of Ergon and Energex will realise savings of \$150 million annually? This is page 4 of the SDS, Minister.

Mr Effenev: Annually? I would expect there will be significant savings. As has been in the public domain, the expectation is that we will save \$560-odd million as a result of the coming together of the two companies both in terms of efficiencies and merger synergies over the five years. I am confident that we are within our capabilities to do that.

Mr HART: Minister, I refer to the Treasurer's response to a question taken on notice during estimates that shows the forecast savings for the merger are only \$187 million over five years, and I ask: has Labor now abandoned its election promise to save \$150 million a year from the merger of the energy businesses?

Mr WHITING: I raise a point of order: that is an opinion.

Mr HART: It is not an opinion.

CHAIR: No, I will allow that question.

Mr BAILEY: I thank the honourable member for his question. What we are doing is delivering on our election commitment to keep our power assets in public hands. That is what we took to the election, but we also said that we would run these businesses well and efficiently—

Mr HART: That is not the question, Minister.

Mr BAILEY: If you would let me finish my answer without interjecting. What you saw in a very fulsome and extensive response from the Treasurer was a breakdown of the savings that are being made. These savings could have been made in the previous government, but the previous government had an ideological obsession to privatise the energy companies which, in reality, they still have. That is why we are seeing this line of questioning. What we saw is a breakdown of net savings of \$562 million over the forwards. That is a substantial level of saving. You are cherrypicking figures here. Out of \$562 million, the breakdown is efficiency savings of \$375 million plus \$187 million in merger savings which add up to \$562 million. What we are talking about—

Mr MOLHOEK: I raise a point of order, Mr Chair. The question was that in the original Treasurer's statement there were anticipated savings of \$560 million and now there has been a revision of that saying that it will only be \$150 million. The question is: why the difference?

CHAIR: There is no point of order. The minister was explaining that right as you interrupted with your point of order.

Mr HART: I raise a further point of order, Mr Chair. I will table the minister's—

CHAIR: You will need to seek leave to table it. Before you do so, we need copies for all of us.

Mr HART: There are copies there. I seek leave to table the document.

CHAIR: Let me have a look at this.

Mr BAILEY: Can I get a copy of that, please? I will need to see a copy of that, if that is okay.

CHAIR: I will ask the committee if there is leave to table this.

Mr PEGG: Yes.

CHAIR: We do. If the minister is able to answer the question now, that is fine.

Mr BAILEY: The tabled document is in fact the document I have in front of me, which is a comprehensive response by the Treasurer to his committee. It outlines what is very clearly a different picture to the one depicted by the member for Burleigh just now. It depicts total distribution savings of \$562 million over the forwards—

Mr HART: Sorry, Minister, the merger amounts.

Mr BAILEY: If you just let me finish my answer—

CHAIR: Member for Burleigh, once you have asked a question, please allow the minister to answer it.

Mr BAILEY: The breakdown of that is \$375 million in efficiency savings and \$187 million in merger savings. I would have thought that a document that outlines savings of over half a billion dollars would be warmly welcomed by every member of the committee. That is what I would have thought. It is a very effective process here of running these businesses efficiently. It shows that while we are keeping them in public hands we are running them effectively and well. We are achieving savings that of course go into keeping electricity prices stable. That is occurring for the first time over the last two years, after 43 per cent increases by the LNP. Perhaps the member for Burleigh does not want to see efficiencies; perhaps he wants to see electricity prices surging again, as happened under the government he was a member of.

What we are seeing here in this response is that the Palaszczuk government is running Energy Queensland well—Energex and Ergon together. There are good outcomes for the public. There is stabilisation of electricity prices. We are running them effectively. It just makes sense to put two groups that are so similar together to gain efficiencies. That is what we are doing. That is what we said we would do at the election. We said that we would keep our election promises. That is exactly what we are seeing here in this document. It is very comprehensive. In fact, it is a year-by-year breakdown including this financial year in terms of this budget but also the future years. I do not think this is a level of detail we would have seen under the previous Nicholls-Newman government. I think we are being very open and honest about our merger process in terms of the savings.

Mr HART: Minister, your promise was \$150 million a year over five years. This document shows that it is \$187 million in total over five years, so there is a big difference. I will move on.

Mr BAILEY: I thank the honourable member for his statement there.

Mr HART: I will move on, Minister.

Mr BAILEY: We are really splitting hairs here. There is over half a billion dollars worth of savings—

Mr HART: It is half a billion dollars, Minister.

Mr BAILEY: There is half a billion dollars worth of savings from efficiency and mergers, and somehow that is a bad thing.

Mr HART: I will move on.

CHAIR: Minister, you have answered the question. We have the document in front of us. I am not passing judgement but I can see the figures, too. Member for Burleigh, do you have another line of questioning?

Mr HART: I have questions to the CEO of Energy Queensland. Is the CEO aware of the total implementation cost—that is, the upfront cost—of merging Ergon and Energy? If so, can you provide us with those figures?

Mr Effeney: Thank you for the question. I am not aware of the full merger costs because the actual work that was done on the merger was done out of Treasury and the Queensland Treasury Corporation. I do not have line of sight of the full costs of that. I can give you line of sight that says our own internal costs associated with doing that work.

Mr HART: Is this something you could take on notice, Minister?

CHAIR: It is really for the Treasury portfolio. As the CEO said, he is happy to table the costs to the company that he represents.

Mr Effeney: I can talk about my internal costs but I have no line of sight on the total cost of the merger. The project team was in fact stood up out of QTC, so that is a matter, really, which I think we would have to refer to the minister to Treasury.

Mr HART: Okay. Mr Effeney, can you tell us how many staff were transferred to Energy Queensland?

Mr Effeney: There are in fact no permanent employees of Energy Queensland at this particular time. All the people who have been seconded to that—at this stage there are only three or four of us to stand up the company—still are employed by Ergon or Energex because we do not actually have an industrial agreement et cetera for Energy Queensland. At this stage, we are just seconded in. I am seconded in to that structure, as is necessarily a CFO and a company secretary so that we can stand the company up. We are the officers of Energy Queensland. There is a board. We are working through all of those issues, understanding we have only been stood up for four weeks. We will now work through all of those matters in the coming months to pursue the synergies and opportunities out of the merger.

Mr HART: I guess our issue is that we only have you here today, Mr Effeney. We do not have the former chair of Ergon to ask those particular questions of. I will let the member for Whitsunday ask a couple of questions.

Mr COSTIGAN: I will now put my North Queensland hat on. What is the net increase in staff employed in Townsville since the merger of Energex and Ergon? That is, how many more people are now working in Townsville?

Mr Effeney: We have only been in place for four weeks. There are a number of project teams which are now working out of Townsville. That is true. Our rapid procurement team is now working out of Townsville. I am aware that one of the previous Energex executives has also moved to Townsville to stand up the energy services business. It is a small number at this point. That is not surprising, given that the business has only been in flight for four weeks.

Mr COSTIGAN: I appreciate your answer in that regard given the time frame. How many employees have been relocated as a result of the merger? Looking into the future, how many more employees are you expecting to be relocated to Townsville as a result of the merger?

CHAIR: Part of that is really hypothetical—the ‘expecting’ part. The first part of the question—that is, how many have—I suspect is relevant.

Mr COSTIGAN: With due respect, Mr Chair, maybe Mr Effeney would like to answer the question.

CHAIR: It is a hypothetical question. I am just letting you know that, so if he chooses not to that is his choice.

Mr Effeney: Thank you, Chair. At this time, no-one has been transferred. Remember that the majority of staff who worked within the previous corporations—Ergon and Energex—have industrial agreements that require people to agree. You cannot just choose to move people; they would have to agree to move. At this stage, as we say, we have only been in flight for four weeks and we have not even stood up the interim management team for the business. That is what we are doing right now to do those matters so that we can design the corporation.

This is a \$24 billion enterprise. We are going to take these things thoughtfully and carefully as we stand up the structure. We will take into consideration all the matters of regional employment, which is obviously your issue of concern, and I am aware of all of that. These matters need to be fully consulted with staff, unions, stakeholders et cetera, as we work through all of those matters and talk to those regional communities et cetera. At this stage, it is very early days. I cannot answer the more hypothetical question that you have asked me.

Mr COSTIGAN: I have one final question. How many people who were with Ergon are no longer in a job as a result of the merger?

Mr Effeney: I am not aware of any people who no longer have a job as a result of the merger. There are many issues which are playing out here as a result of AER and reductions in the economic climate and those matters. I am not aware of any Ergon or Energex people who as a result of the merger have lost their job.

Mr COSTIGAN: Thank you, Chair.

Mr HART: Mr Effeney, can you tell us how many employees need to be removed from Energy Queensland to meet the current AER determination?

Mr Effeney: I thank the member for his question. On the issue to do with the current AER determination, I am pleased to report that both Ergon and Energex are operated within their capital and operating allowances in the first year of that determination. You will recall that there were substantial reductions in the capital and operating funding. Remember, the AER allocates revenue and funding; it does not actually tell us what to do with that. It is up to the organisations to deal with those matters. Obviously, the organisations—being prudent and efficient, as we should, given the impacts that we have on electricity pricing—believe that we should operate within those allowances of capital and operating. I am pleased to say that both organisations have made adjustments to their businesses over the last few years so that we could live within those operating and capital allowances. The majority of that work of living within those AER allowances has been completed. The \$562 million that we were talking about before is prospective of that—it does not include the savings to adjust to the current AER determination.

Mr HART: Those savings have already been made in the last couple of years. That would have been under the previous government, then.

Mr Effeney: A combination, because those savings have been over the last five years of the previous determination. As you know, there have been a number of periods of government during that five years.

Mr HART: Mr Effeney, I refer again to the question on notice from the Treasurer that we all have a copy of. It directly relates to Energy Queensland. According to that answer, the AER determination determined Energex should reduce capital expenditure by about \$2 billion and Ergon by \$1 billion, leaving a total of \$3 billion in capital reduction over that five-year period. What are the operational savings required to meet the AER determination over that same period?

Mr Effeney: I thank the honourable member. I suppose my answer is the same as the previous questions. Those adjustments are already made and they are in the forward budgets. Both Energex and Ergon have already made those adjustments to their capital and operating and are now operating within those AER allowances. There are no further savings in that sense because those things are already in the forward estimates that we will operate within the AER allowances. As I said, the savings that we are talking about from \$562 million are in addition to those savings.

Mr HART: Mr Effeney, the two previous businesses put in a target that they wish to meet and the AER came back with a lower target by about \$3 billion. You must be making some sort of adjustment in that period.

Mr Effeney: No. Just so we are clear about that, the \$3 billion or so—and this is depending on whether you think about them in real or nominal numbers, but the \$3 billion is fair enough—is the difference between what was actually spent on capital during the last five years versus the allowances

that we are going to have for this particular period moving forward. We have had general line of sight on that. This is not something which is a great surprise to the organisations. In fact, our submissions—which is the key point here—that we made to the AER recognise that the economic cycles were very different in Queensland, we have completed the work out of the Somerville reviews, we have had the impacts of the solar. There is very limited growth, so both organisations had asked for very substantially reduced capital and operating programs in this period.

The AER then came back and adjusted them to a much smaller extent, so both organisations in terms of their submissions had been planning for a number of years for a much smaller and more prudent capital and operating program across this five years. It is not like we have suddenly got a surprise that there is a \$3 billion reduction in front of us. These have been a well-known and planned piece of work and in fact were reflected in our submissions. The difference between what we asked for and what the AER finally gave us were matters which we have addressed and are not significant reductions in the comparison to the \$3 billion.

Mr HART: That was \$3 billion in capital expenditure reduced. What is the reduction or change in operating expenditure?

Mr Effeney: The change in operating expenditure was considerably less—probably of the order of 10 to 15 per cent reductions in operating expenditures over that period. I do not actually have the actual operating numbers in front of us. Again, both organisations are operating within their operating allowances for that last year. Those adjustments have been made. This issue about living within that AER consideration is something that both organisations had been planning for for an extended period.

Mr HART: Can you give us those details? Is the minister willing to take that on notice to give us the reduction required in operating expenditures?

CHAIR: Minister, are you willing to do that?

Mr BAILEY: Sure. I am happy to do that—absolutely.

CHAIR: Just so we have the question clear, is this the operational expenditure?

Mr HART: That is right.

Mr BAILEY: Absolutely. I am happy to do that.

Mr Effeney: From the last regulatory period to this regulatory period? Is that the question?

Mr HART: Exactly. How many staff will be employed by the new energy services business created as a result of the Energy Queensland merger?

Mr Effeney: I thank the member for the question. That is still very much a work in progress. We are still developing the plans for that and obviously recruiting senior managers to run that business. At this stage there is an aspiration obviously to grow opportunities in that area, but the business plans for that have not been completed at this stage, so I cannot answer that question at this point.

Mr HART: You do not know what this new entity will be doing and how many staff it will be needing?

Mr Effeney: We have—

Mr WHITING: Point of order. That is an imputation, Mr Chair.

Mr HART: It is in the SDS, Chair.

Mr Effeney: We certainly have broad plans for the areas that this business will be targeting. I think we have been clear about those things, particularly around the metering opportunities, given that the smart meter rollout is looking to progress from the end of next year. We are also looking at community solar programs because there are many areas where various customers cannot access solar because they live in a rental property, a flat or units et cetera, so we are looking to facilitate community solar programs and we are looking at energy management systems. We have done some initial assessments of that, but at this point in time we cannot say to you how much of that work we would be successful in winning.

Mr COSTIGAN: Mr Chairman, through you, I have a question on the back of my colleague the member for Burleigh. Mr Effeney, what is your message to mum-and-dad sparkies across North Queensland, particularly in Townsville, because this business services unit has a lot of them in the community concerned? There is no doubt about that. What is your message to them?

Mr Effeney: I thank the member for the question. My message is the same, which has been conveyed consistently, that we are not looking to compete in those markets where you have already got full capacity for people to fill those things. What we are looking for is developing new areas and new markets. We will continue to work with all of our channel partners and contractors as we always have.

This is, in many cases, no different to what we have done with our air-conditioning controls and other things over the years where we have worked with the electrical contractors to do the work that makes sense for them to do and then to do the work that makes sense for us as a company to do. We are going into new areas. These are not mature marketplaces that we are talking about. There is not a mature marketplace out there for some of the smart meter activities, community solar or some of these home management systems. We will continue to work with the channel partners and with the contractors to do that work as well.

Mr COSTIGAN: You did say it was a work in progress. You must have some idea as to how many staff will be required as part of this business services unit?

Mr Effeney: No. Until the Energy Queensland board—

CHAIR: It is hypothetical, once again.

Mr Effeney: Until this matter has been fully considered by the Energy Queensland management and board at this stage they are only potential proposals that have to be worked through. At this stage, no, I cannot say how many direct contractors we would employ—because in many cases we will use the channel markets which we have always used for those things—or what we do for our internal staff in relation to that. All of these matters will be fully consulted with all the key stakeholders in this area.

Mr BAILEY: To add to the CEO's answer, this is in a context where there is enormous change about to occur in the energy market around battery, storage and products. We are doing a lot of work through both Ergon and Energex about what the modelling is, what implications it has for the grid and how we get the best benefits for consumers. We have trials going on in partnership with ARENA and Sunverge in Townsville, Cannonvale and Toowoomba about the customer interface and how these battery storage units in a residential realm work in the real world. This is fascinating but it is also going to be a substantial area of change that is emerging. Everyone is doing the research about it. It is in that context that the energy services business is looking at these new areas. It would be irresponsible for us to not be looking in this area because this is going to have big implications for energy markets all around the world and everyone is getting ready for it. We are in the process of getting ready for it.

Let's also be very clear about the energy services business. It will be subject to the national energy market rules. It will be ring fenced in terms of how it operates. It will not get an unfair advantage because it has to conform to the national energy rules. This concern that it will have an unfair advantage is absolutely unfounded. It cannot happen that way under national energy rules. Let's be very clear about that. I think when you see batteries and storage roll out we will see the price plunging on this. It is being partly driven by the move into electric vehicles by a lot of large corporations and IT companies. We are seeing battery costs plunge. Everyone is looking at batteries and storage and asking when is it going to be economic? When can I get into it? When can I add it to my solar PV et cetera? When we get to that stage just like solar PV, you will see it take off in a big way. In that sort of circumstance there will be so much work for electrical contractors in this state it will not be funny. It will be a case of getting the supply out there and there will be a lot of work for contractors. I expect there will be some opportunities for the energy services business.

Ergon and Energex currently work with electrical contractors. I think the issue will be keeping up with supply when we hit that point in the market. From our point of view, we want to make sure that when we get to that point we can meet demand and we can get them out and have the best economy we can. There will be a lot of job opportunities there for everybody.

Mr COSTIGAN: Minister, will you be taking staff out of Ergon and Energex to set up that business services unit? Will staff be coming from them?

CHAIR: Do you have a reference to the SDS, just out of interest?

Mr HART: SDS page 4.

CHAIR: Thank you.

Mr COSTIGAN: With due respect, Chair, the minister has been quite decent to continue the line of questioning here or facilitate it.

Mr BAILEY: Just to add to the CEO's comments, I think he outlined that this is an area that is emerging. It is very early days at this point in terms of how it will be set up and what its focus will be. It will draw on the great work that Energex and Ergon have been doing in terms of the technology and where battery storage and those kinds of products are going. It is very early days to be able to know those sorts of things—

Mr COSTIGAN: It could be yes or no?

Mr BAILEY: CEO, do you want to add to that at all?

Mr Effenev: I can add to that.

Mr COSTIGAN: I will put it back to Mr Effenev. Mr Chairman, I am happy for the DG to weigh in on it as well.

Mr Effenev: I am happy to take the first answer to that. Of course we will be bringing in people from Ergon and Energex from the management perspective because this is where the expertise is. In terms of the people who have to do the business case and the people who have to do all the necessary consultation and development of these particular products and ideas, of course a lot of that capacity is within Ergon and Energex to do those things, and we have been doing these things for many years. There is no great surprise that we will be doing that. I think your question is: are we bringing any front-line service providers into Energy Queensland to do that? At the moment the answer to that is no because we have not developed the business cases at this stage and made those decisions.

Mr COSTIGAN: There is no business at all?

Mr Effenev: We have done the preliminary business cases but until that is fully considered by the Energy Queensland board—we have only been in flight for four weeks here.

CHAIR: I think we have answered this question. We might move to government questions for a while. I call the member for Murrumba.

Mr WHITING: I have a question for the minister. Referring to page 5 of the SDS, one of the government's election commitments was to implement the transfer of irrigation channels to local management. Can the minister please provide an update?

Mr BAILEY: I thank the honourable member for his question and for his interest in what is an important micro-economic reform in Queensland. The local management arrangements program involves transferring the local irrigation channels from being administered by SunWater to being run by the local irrigators who use the channels. I am very pleased to advise that an additional \$6.9 million has been included in the budget for this important initiative which will empower local communities and encourage the growth of Queensland's agricultural industry. This is over and above the \$2 million already committed for this third stage of the local management arrangements project. Stage 3 involves agreeing to final terms and ensuring sufficient customer support for transitional ownership and control of the Theodore, St George, Eton and Emerald schemes to local management and control.

Additional funding is also provided for the Bundaberg, Burdekin-Haughton, Mareeba-Dimbulah and lower Mary schemes to carry out further investigations and prepare revised business proposals on how those schemes could operate under local management. We are working closely with those local irrigators to set up special purpose vehicle companies and interim boards to progress this stage of the project. Those companies and interim boards will be run by a board of local irrigators and appropriately skilled independent directors. Today I am pleased to announce the following chair appointments: in Emerald, Annette Smith; in Eton, Geoff Kavanagh; in St George, Luke Stower; in Theodore, Elizabeth Alexander; in Bundaberg, Maurice Maughan; in Burdekin-Haughton—

Mr COSTIGAN: Definitely pronounced Haughton, Minister.

Mr BAILEY: I will take that from the member for Whitsunday. I continue: Mario Barbagallo; Jo Moro from Mareeba-Dimbulah; and Mr Geoff Wormwell of lower Mary. I take that endorsement from the member for Whitsunday. Thank you. Local management arrangements can be effective because they make use of the wealth of local knowledge that these irrigators possess. They know the land, they know the area and they know how the water is best put to use. Putting the locals in charge of the scheme empowers the irrigators and the wider community. What this means for irrigators should not be underestimated. This is a unique opportunity for the schemes to transition to local management and to be owned and operated by their users, ensuring long-term productivity and contribution to our regional and rural economies. The channel schemes are an important part of our agricultural sector here in Queensland as they contribute in the order of 10 per cent of the state's agricultural output.

This new funding represents a substantial investment by the Palaszczuk government into this scheme and I see that industry is commending our commitment. Cotton Australia and the Queensland Farmers Federation have marked this as an important step in supporting growers and agriculture. To further support growers and agriculture by limiting price increases for Queensland irrigators, our government will continue to invest almost \$6 million this financial year into ensuring prices for SunWater and Seqwater's rural irrigation schemes move gradually towards recovering the true cost of supply. This important measure prevents irrigators and farmers being otherwise immediately faced with some significant increases in water prices to pay for the full cost of supply.

In short, these irrigators know these schemes well, they know how to drive costs down and they know how to get greater productivity. That is why we are doing this. That means better economic opportunities, better job opportunities, all in regional Queensland. We are committed to working with them. I certainly endorse the budget papers in that regard.

Mr PEGG: I refer to page 3 of the Service Delivery Statements. Could the minister please provide an update on the work of the independent expert panel which is investigating how Queensland can achieve a target of 50 per cent renewables by 2030?

Mr BAILEY: I thank the honourable member for Stretton for his question and his ongoing interest in renewable energy. The Palaszczuk government is unashamedly committed to increasing the uptake of renewable energy in Queensland, to acting on climate change by reducing emissions in the energy sector and to growing jobs, particularly in regional Queensland. Renewable energy sources including rooftop solar currently contribute about seven per cent of the state's electricity generation. Growing this contribution will require a transformation of the Queensland electricity sector across the whole supply chain. We understand that the transition to a renewable energy economy must be done in close consultation with industry and the broader community. We have appointed an independent renewable energy expert panel to lead the investigation to credible pathways to a 50 per cent renewable energy target by 2030.

The panel is chaired by Colin Mugglestone, who is an infrastructure specialist and former Macquarie capital investment banker. The panel has a strong private sector bias because we are very keen for strong commercial outcomes in terms of the renewable energy sector. I note also the contributions on the panel of Dr Paul Meredith from the University of Queensland, Amanda McKenzie from the Climate Council, Allison Warburton and also Paul Hyslop. We wanted to have a strong focus on the economics. It must consider how investment takes place in renewable energy, how projects can be funded, the integration of renewable energy into our electricity system, the role of centralised and distributed generation, the impact on greenhouse gas emissions and, of course, the impact on households and businesses.

Following the release of its issues paper, the expert panel has hosted eight public and industry forums and has received 55 written submissions from a range of stakeholder groups including project developers, retailers, peak industry bodies, community groups, academic organisations and, of course, many members of the public. Participants at the forums were generally positive about the economic opportunities that flow from Queensland investing in renewable energy, and the panel's interim report is expected to be finalised at the end of September of this year. It will summarise the findings and provide detailed analysis of issues and opportunities, including how we can work towards ensuring Queensland has the right training and skills for our renewable energy workforce.

Release of the interim report will be followed by further consultation in October, and I am pleased to announce today that the second round of consultation will involve forums being held in Rockhampton, Mackay, Cairns, Bundaberg, Brisbane, Toowoomba and the Gold Coast. I encourage everyone to get involved in the next round of consultation and to engage via the expert panel website to have a say on the best way to implement our renewable energy target of 50 per cent by 2030.

Mrs MILLER: My question is in relation to the Bundamba recycled water plant. I was wondering if you could advise when it will be at full capacity. If it is switched on, will it in fact lower water bills?

Mr BAILEY: I thank the honourable member for the question. I am not extensively briefed on the Bundamba recycled water plant specifically. I am happy to take that question on notice and come back to you. I do note that, due to efficiency gains in Seqwater in the past year or two, the increase in bulk water prices in the price path has moderated to some degree, which is of benefit to people in terms of their water bills. That is a positive for people in South-East Queensland, which obviously would cover your electorate, member for Bundamba. In terms of the detail of that specific plant, I am happy to take that on notice and come back to you.

Mrs MILLER: Can you also take on notice a question in relation to the recycled water plant? We would like to know at what capacity it is currently running. Obviously, hundreds of millions of dollars were spent there so we would like to know at what capacity it is running: 10 per cent, 50 per cent? Whatever information you can provide.

Mr BAILEY: Peter Dennis, the CEO of Seqwater, is here. I will ask him to come to the table and provide some details.

Mr Dennis: Thank you for the question, honourable member. The Bundamba recycled water plant is part of the western corridor scheme. It is currently in care and maintenance mode. As the minister mentioned, we have done a lot of work over the last three years at Seqwater to reduce the cost

of having that in care and maintenance mode. It was around \$30 million; it is down around \$10 million a year in care and maintenance mode. It is a key part of South-East Queensland's drought response strategy.

Mrs MILLER: Are there any plans to bring it back on line? I am being asked questions by my local community because a lot of investment was made into that recycled water plant. When will it in fact be used?

Mr Dennis: Seqwater has a long-term water planning project going at the moment, which is Water for Life. There is extensive community consultation about what the long-term water future is for South-East Queensland. We are consulting with the community on a range of options: recycled water, new dams or desalination. There are a whole range of options we can pick, including demand management. We do not need any new supply option until about after 2030, so we do have time to have a conversation with the people of South-East Queensland. We have designed a very consultative approach in terms of working with communities about what the right water future is for South-East Queensland.

Mr BAILEY: Since the millennium drought in 2007 obviously there have been major reforms to form the water grid, so we now have one of the most secure water supplies in Australia less than 10 years after Wivenhoe was down to 15 per cent. An important part of that security is having options if we get to another scenario like that, and obviously the western corridor scheme is part of our kit of plan B and plan C to guarantee supply, even in extreme circumstances. The desalination plant obviously is an important part of that; so is the western corridor scheme. It is an investment in our security. It is not something necessarily we need all the time, but we need to be prepared, obviously, so that if we find ourselves in that kind of a scenario again, or worse, we are ready in terms of the infrastructure. That plant, member for Bundamba, is obviously a very important part of having that infrastructure in place. In 2007 we had a lot of councils doing their own water thing, but it really was not coordinated or connected. A lot of work has happened in the last nine years to make sure that we have an interconnected water grid.

I was up at Petrie a week or two ago. We have taken an old plant that is going to come off line at the end of next year, and we are going to build a pipeline so they are connected to the grid so we have multiple options of supply to the Petrie community. There is ongoing work in terms of making sure that the grid gets better and better over time.

Mrs MILLER: May I ask a supplementary question in relation to the recycled water plant. You mentioned the year 2030, and I understand what the minister is saying—we have to drought-proof South-East Queensland, and I am a big supporter of that—but in the year 2030 will the technology that was built at the recycled water plant still be appropriate?

Mr Dennis: Today, as the minister mentioned, the recycled water plant is a key part of the grid in South-East Queensland in terms of drought response. It is a key part of that toolbox of options that we have for dealing with drought if we go into it at any time between now and 2030. The year 2030 and beyond is where we need a new supply option to come. We need to think about two areas: drought and long-term future supply options to meet growth. Technology is changing, but in relation to some of the core elements like membranes, there will still probably be a membrane process but those membranes will obviously develop as technology goes on. I do not know what the technology is going to be like in 2030—I would like to know—but the key point is that recycled water is a key part of South-East Queensland's drought response today. We are going to have a conversation with the people of South-East Queensland about what the choice is in the future beyond 2030 in terms of meeting new supply options for growth.

CHAIR: Minister, you referred to the work that is being done at Petrie, and that is of great interest to me and my electorate. Could you flesh that project out a bit more? I am referring to page 54 of the Capital Statement.

Mr BAILEY: This is a very good project. It is a \$16.5 million investment in capital works that will connect 100,000 Moreton Bay residents to the South East Queensland Water Grid for the very first time. An amount of \$7.9 million has been allocated this financial year for a total cost to Seqwater of \$10 million. Our government owned water company Seqwater, and the water retailer Unitywater are working together to construct this new pipeline. Residents currently access water from the Petrie Water Treatment Plant; however, that plant was built in the 1950s. The Moreton Bay area, as you would know, is growing rapidly. It is one of the most rapidly growing areas in the country, and the Petrie plant would not have been able to meet the future needs of this growing community.

The South East Queensland Water Grid consists of more than 600 kilometres of bulk water supply pipeline which allows water to be moved around to where it is needed most. The new pipeline will be 2.4 kilometres in distance and is expected to support up to 50 direct jobs during its construction. When the pipeline is completed, the Petrie Water Treatment Plant will be decommissioned. This is the most effective and cost-efficient option, as the Petrie plant would need significant upgrades to accommodate future demand. In addition to meeting future demand, connection to the grid provides residents with improved water security. Once the upgrade is completed, residents will be supplied primarily from the North Pine Water Treatment Plant.

There is also the ability to supply residents with water from other treatment plants in greater Brisbane and the Sunshine Coast. The pipeline will service the growing communities of Kallangur—which I am sure you are very happy about—North Lakes—which I am sure your fellow committee member will be very pleased about—Griffin, Mango Hill, Murrumba Downs, Dakabin, Petrie, Lawnton and Strathpine. I am sure the member for Pine Rivers is very happy about some of that as well. The Palaszczuk government is absolutely committed to investing in water security for Queenslanders now and into the future.

Mr WHITING: Minister, we have heard a lot this morning already about the record number of energy and water initiatives and capital projects under this government. With reference to page 47 of Budget Paper No. 3, which identifies a total investment of \$2.2 billion in 2016-17 across the Energy and Water Supply government owned corporation portfolio, could you please identify how capital expenditure by our state owned corporations will service Queenslanders?

Mr BAILEY: I thank the member for the question and acknowledge his continuing and very strong support for keeping our assets in public hands. Investment in our electricity and water infrastructure is obviously of critical importance to Queenslanders. The reliable and cost-efficient delivery of energy and water gives businesses a foundation on which to grow and leads to the creation of new jobs. This year's state budget invests \$655 million across the Energy and Water Supply portfolio. In addition to the departmental budget, there is \$2.2 billion in capital purchases for energy and water statutory bodies and government owned corporations that report to me as the minister.

Some significant initiatives include Ergon investing \$787 million to ensure a continuing safe, efficient and reliable electricity supply to regional Queensland. Energex's capital program of \$705.3 million is aimed at improving and reinforcing electricity supplies across South-East Queensland, especially to meet peak electricity demand periods and to support the increased use of residential solar power storage batteries, electric vehicles and appliances such as air conditioners.

The \$25 million upgrade of the Mudgeeraba substation will improve the performance and reliability of Powerlink's transmission network in the Gold Coast region not only for the Commonwealth Games itself but also for all residents down there for many years. This is a real investment in the Gold Coast, and certainly the Palaszczuk government is doing a lot of heavy lifting when it comes to investing in the Gold Coast with the duplication of the rail line at Coomera to Helensvale; Light Rail Stage 2; \$160 million in roads funding for the Commonwealth Games; and of course we want to get the M1 going as well. I digress.

CS Energy is investing \$48.2 million for improvements to the Callide Power Station, including overhaul work. This investment will bring enormous flow-on economic benefits to Central Queensland. Stanwell Corporation will invest \$50.5 million for Stanwell power station projects, including a major overhaul of unit 2 and a \$63.4 million Meandu Mine project including coal handling, preparation plant replacements and upgrades.

Powerlink Queensland is investing \$34 million in the Whitsunday transmission line—and I am sure the member for Whitsunday will be very pleased about our expenditure in that area—with \$10.5 million being spent in 2016-17 for refit work on the Collinsville-Proserpine inland transmission line. This stretch of power line is the backbone of the Whitsunday network, supplying high-voltage electricity to Collinsville, Proserpine and the broader region.

SunWater will invest more than \$48 million this capital year which will focus on the continuation of reliable bulk water supply for regional Queensland and ensuring that SunWater's dams are enhanced to meet the extreme weather events that Queensland is known to experience.

Seqwater will invest more than \$112 million in capital works this financial year to improve the resilience and reliability of water supply in South-East Queensland and performance of the Australian-first water grid, which allows drinking water to be moved around the region to where it is needed most. This is the largest annual capital investment by Seqwater since it was established in January 2013. It will increase water security for 3.1 million South-East Queenslanders. The 2016-17

Seqwater capital program will include upgrades to two of the region's most important water treatment plants, at North Pine and Mount Crosby, which provide almost 40 per cent of the region's daily drinking water supply.

The Palaszczuk government has promised to be a government that delivers jobs and invests in our regions. We are able to deliver on this election commitment because we are the government that kept Queensland's assets in public hands. These major investments would not be possible had our power stations, transmission lines and water pipelines been sold off as the new Leader of the Opposition planned when he was Treasurer in the Nicholls-Newman government. The upgrades are critical to continuing Queensland's reliable electricity and water supply and to powering the Queensland economy.

In particular, the 2016-17 budget delivers for regional Queenslanders. The government has also committed \$561.2 million to fund the community service obligation which ensures regional Queenslanders pay the same for their electricity as those living in the south-east corner, which is more than half a billion dollars in subsidising power in regional Queensland. Despite the additional cost of maintaining electricity poles and wires and moving energy across the vast distances of rural and regional Queensland, comparatively the community service obligation ensures a family in Townsville, Cairns or Mount Isa pays no more for their electricity than a household in Brisbane.

Mr PEGG: With reference to page 4 of the SDS, what is the state of geothermal generation in Queensland?

Mr BAILEY: Geothermal is a really fascinating area and it is a different arm for our renewable energy commitment. Of course, being in Queensland with many remote communities this one is really interesting. Ergon is about to enhance substantially the power station at Birdsville by upgrading the geothermal generation. There is \$4.5 million for this project in the budget this year. The project is estimated to cost about \$12.9 million in total, and construction is expected to commence next year. The new project will have a net output of as much as 200 kilowatts and will be a huge increase on the existing capacity of only 85. This will displace up to 80 per cent, or 500,000 litres, of diesel used annually in Birdsville, which is a fantastic outcome.

The state-of-the-art technology being used in the new plant will significantly enhance the power station in terms of capacity and efficiency. During the construction phase, Ergon Energy expects up to 20 personnel to be living and working in that town. I am sure the Birdsville pub will be very glad to hear that; it should be a shot in the arm for the local economy. This will be an economic boost for the town of Birdsville. The system will generate electricity using hot water from the Artesian Basin. The town of Winton, which I visited after the budget only a month ago, will also tap into the great benefits of energy generated by the Artesian Basin. I was very pleased to look at some of that with its mayor, Butch Lenton. Butch looked after me very well. He is a lovely chap, Butch, and I really enjoyed my Winton trip. It has a fantastic automotive museum, but I digress.

I was pleased to hear about the local council's geothermal project there, and a 300 kilowatt system is planned for completion by the end of the year. The project will receive half a million dollars in funding from the state government's Building Our Regions fund towards a total project of around \$3 million. The generation system will consist of not one but two power plants. It will use the hot water flowing from existing bores and convert this heat into energy. The capacity will be able to service most of the peak power load demanded from the council's assets. This project will ensure a reliability of power supply for the town and is also expected to offset expected increases in power charges and generate significant savings. I sincerely congratulate Mayor Butch Lenton and the council for their innovation and commitment. It is a great project in a great town and a real enhancement to the infrastructure.

Mrs MILLER: My question relates to impending water bills, because a few years ago water used to be part of the rates bill but now it is not; you get two bills. As we all know, the rates bill might be, say, \$350 and then one gets a water bill which is maybe \$350. Effectively, people are saying that the cost of these services has doubled. What is being done to try and lower water bills for people?

Mr BAILEY: As outlined by the chair of Seqwater, some efficiencies were gained through Seqwater where the price path increases started to ameliorate and be less than expected. Queensland Urban Utilities has increased sewerage charges by only 1 per cent and water charges by around 2.8 per cent, with the exception of the Scenic Rim where water usage charges increased by only 0.3 per cent compared to 2015-16.

In Unity Water's case, water and sewerage charges for Moreton Bay customers reduced by 1.2 per cent. Its charges for Sunshine Coast and Noosa customers increased by only 1.3 per cent for households using 200 kilolitres per annum compared to last financial year. With the Gold Coast council we saw a freezing of water and sewerage charges, and that is continuing the freeze from last year in keeping its rates at 2014 levels. In Logan we saw an increase of water and sewerage charges of about 1.8 per cent—that is about the rate of inflation—for the average 200 kilolitre per annum household compared to last year. In Redlands we saw a freezing of water and sewerage charges for 2016-17, so continuing at the same price in 2015-16.

The bulk water prices set for 2016-17 are included with the retail water and sewerage charges. The total household charge for households using 200 kilolitres per annum included in bills in Queensland Urban Utilities council areas increased by around 2 to 3 per cent; bills in Moreton Bay area reduce a smidge at 0.1 per cent; bills in the Sunshine Coast and Noosa areas increased by about 3.2 per cent; in the City of Gold Coast Council bills increase by 0.8 per cent; Logan City Council bills increased by 2 per cent; and Redlands City Council bills increased by 2.7 per cent.

That is the picture for 2016-17 across SEQ. There are some variants there. Some of them are a bit above the inflation rate, some a bit below, but it is fair to say that we are seeing much more consistent outcomes as that price path progresses year to year. Earlier on, obviously, there were greater disparities that were difficult for some customers in South-East Queensland, but now we see the price path of those different sources become much closer and give people greater predictability in terms of their bill management. Obviously that will be well received by people.

Mr COSTIGAN: I have a question for the director-general. I refer to page 5 of the SDS in terms of partnering with water service providers to develop regional water supply security assessments. What is the department doing to support councils and local governments such as the Townsville City Council with water security, given the state of the Ross River Dam? As the director-general would be well aware, it is at its lowest level in seven years at just 21 per cent. What is the department doing to assist local governments including the Townsville City Council?

Professor Simshauser: First, 20 of the water security supply assessments have been initiated, seven completed, and another 13 are on foot. One of those that was of course in the frame was Townsville. The order in which we progress those security assessments is via a risk-based approach. Generally we start with large populations and work our way through, although there were a few that were done because of different reasons. The department is continuing to support Townsville City Council with short and long-term water supply planning. Of course, that includes the security supply assessment for Townsville which shows that, due to its interconnection with Queensland's largest dam, Burdekin Falls Dam, Townsville has a relatively high level of water security. The most important issue for Townsville City Council is that, when it accesses that water from Burdekin, it will come at a cost because it needs to be pumped from the Burdekin system.

Mr COSTIGAN: What does that cost?

Professor Simshauser: To be honest, I would be speculating, because it depends on how much water is required. I am just not sure I could answer that for you. The other issue is there will be contracts in place between the Townsville City Council and its energy supplier and water supplier, and those agreements are no doubt commercial-in-confidence. I am not privy to that information.

I understand that the council has negotiated with SunWater for access to the Burdekin. It has access to 16,000 megalitres of high-priority water and a right to a further 20,000 megalitres of medium-priority water to supplement those reserves. We made an offer to the CEO of the Townsville City Council to provide some advice on issues such as pumping costs, water supply agreements and so on, and they have engaged with us and have graciously accepted our offer of assistance. If I could just refer to my deputy director-general to make sure I have not missed anything out.

Mr Sedgwick: Referring to your question about regional water security assessments, they are an important initiative of the department in that we have acknowledged that water planning and supplies are the responsibility of the councils but that what we can offer is considerable technical expertise to help the councils in their long-term planning. As the director-general mentioned, over the last couple of years we have worked with the Townsville City Council in helping them achieve a really solid technical basis for their long-term water planning. That has laid down the foundation for where the council is now negotiating with SunWater in terms of what its future water needs will be.

Mr COSTIGAN: Minister, on the back of those responses, are you satisfied that your department is providing all necessary assistance particularly to the Townsville City Council given the capacity and the current storage level of the Ross Dam at 21 per cent? It is a concern in the community. Are you satisfied that every effort is being made to address the situation and allay the concerns of Townsvillians?

Mr BAILEY: I am aware of the Ross River Dam level and of course the variants in terms of the Burdekin Falls Dam which is overflowing; that is the nature of the weather patterns up there to some degree. We have been working closely with the Townsville City Council about the situation. I know that SunWater has also and that there are provisions in place to ensure that the Townsville water supply is there. As their director-general outlined, they draw on the Burdekin Dam. I have had conversations and meetings with Mayor Jenny Hill who is a very strong advocate for Townsville and who has been very proactive in that regard. She has worked very closely with our department in terms of ensuring that longer terms options are considered and that we are very aware of the situation. We certainly have a very productive working relationship with the Townsville City Council and the mayor. I know that the CEO of SunWater is aware of the situation as well. Of course, we were very glad to see substantial rainfall over the last few months there because it was—

Mr COSTIGAN: That is well and good but do you realise how much it is to get the water from the Burdekin though?

Mr BAILEY: The specific rate? Obviously there is a cost involved. It does depend particularly on how much you need and that depends. There is certainly a cost involved.

Mr COSTIGAN: Do you know what it is for the ratepayer of Townsville?

CHAIR: Can you allow the minister to answer the question please?

Mr BAILEY: When it is required—and it is required occasionally—there is a cost involved, and that is something that we are discussing with the Townsville City Council.

Mr COSTIGAN: But you do not know what the cost is?

Mr BAILEY: It depends on how much water you need, and that depends on the particular circumstance at any given time. The cost really does depend on how much water there is relative to the two dams and what are the arrangements. You cannot simply say it is going to cost this amount, because it really depends on your circumstance.

Proceedings suspended from 11 am to 11.30 am



CHAIR: Welcome back, members, ministers and officials. I would also like to welcome our new arrival, Mr Andrew Powell MP, the shadow minister for transport and main roads and the member for Glass House. The committee will now examine the estimates for the minister's portfolio areas of Main Roads, Road Safety and Ports. I call the member for Glass House.

Mr POWELL: Thank you very much, Mr Chair. Good morning, Minister. Good morning, Director-General. Good morning, staff. My first question is to the director-general. I refer to page 115 of the Capital Statement where it refers to critical infrastructure investment. Mr Chair, I seek leave to table a page out of the *Major projects report* for 2016.

CHAIR: Could we have a copy for everyone?

Mr POWELL: I have plenty of copies for everyone.

CHAIR: We will just have a moment to peruse that.

Mr POWELL: Thank you.

CHAIR: It is a published document. Do I have the leave of the committee? Leave is granted.

Mr POWELL: Thank you, Mr Chair. I refer in particular to this report by the Queensland Major Contractors Association and Construction Skills Queensland. Under 'Roads and Bridges' there is a graph that has projects, work done and workforce demand forecast. It indicates an increase in workforce demand in the next couple of years but reflects on the fact that they are attributed to projects initiated by the LNP such as the Toowoomba Second Range Crossing, the Gateway Upgrade North, the Bruce Highway and, at the local level, Kingsford Smith Drive. Director-General, what is your department doing to ensure there is an ongoing pipeline of projects for this industry organisation to continue to grow throughout the years?

Mr Scales: I thank the honourable member for the question. Clearly, we have an ongoing capital program called QTRIP, which is \$20 billion over the next four years. That outlines where the spend is going to be. That document, in fact, is the only one of its type in Australia. In addition, we have the state infrastructure program and the State Infrastructure Fund, which also funds additional works, which is detailed in the Capital Statement.

As far as QTRIP is concerned, we have good, solid engagement with the industry. Over the last two years we have gone on a bit of a roadshow to tell the industry what is in there. The complementary part of that is the state planning program, which is \$67 million with over 400 projects in it. We tell the industry not only what we are attempting to build but also what we are planning to build. QTRIP, as we all know, is a four-year rolling program. In that we have a lot of projects—I think over 5,000 projects—and we have a really strong relationship with not just the civil contractors association but all the other associations as well, and I meet them on a regular basis.

Mr POWELL: Director-General, have any of those organisations expressed to you their concern that that pipeline of projects is not sufficient?

Mr Scales: I think if you compare us to the other states, there are different capital programs in other states. They have indicated their concerns from earlier times when we had the national disaster recovery and relief program, which is basically now just about complete. Just for the committee's benefit, from about 2010 to 2016 there were 16 major weather events and the department spent \$6.4 billion reconstructing roads, culverts and bridges to get Queensland moving again. From that high of NDRRA money to where we are now is certainly a bit different, but we are where we are in terms of the state's budget. As I say, we have QTRIP, which is a \$20 billion program, and on top of that we have the state infrastructure program and the State Infrastructure Fund.

Mr POWELL: Minister, one of the programs that was announced by the government to ensure a pipeline of projects was the Accelerated Works Program. I thank you for your response to question on notice No. 1 to the committee. It is interesting to note, though, that all but three of the listed projects really have not been delivered that much sooner than when they were intended. In fact, I can draw your attention to one: the Alligator Creek Road to Allendale Drive overtaking lane. The original construction start date was November 2015. The accelerated construction start date was November 2015. Could you confirm for me that, in fact, there has been very little acceleration in any of those projects?

Mr BAILEY: I thank the honourable member for his question. Can I say that, when it comes to infrastructure, we are absolutely committed to infrastructure projects. The Ipswich Motorway, a \$400 million project, was landed in cooperation with the federal government. The Logan enhancement project is a market-led proposal—\$450 million worth of roadway infrastructure there that they are putting to the government, which will have incredible benefits in terms of freight and productivity. Of course, we are trying to get the M1 projects going. If only we had the support of the federal government to adhere to their own—

Mr POWELL: Mr Chair, point of order—relevance to the Accelerated Works Program. It was a specific question as to whether the programs were accelerated.

CHAIR: Thank you for your point of order, member for Glass House. I will ask you to allow the minister to answer, but I will ask the minister to remain relevant.

Mr BAILEY: In terms of the Accelerated Works Program, we certainly have a very strong commitment in the Transport and Main Roads space. We have already completed a number of those projects. I think that is a sign that things are on track. We completed two projects. Already, I have visited the decoupling pad, which was very well received by the heavy vehicle industry in North Queensland and, I might add, is being very well used on the port road out to Townsville.

We have four projects under construction. We also have procurement happening on seven. We have the design phase happening on eight of them. We are looking here at the Transport and Main Roads component—\$144 million worth of investment.

This is about bringing forward job opportunities in regional Queensland, particularly in North Queensland. We see that 40 per cent of the program is in the TMR space, with 953 jobs being brought forward. We certainly are also doing fantastic work at the Port of Townsville with the \$40 million berth 4 project, and 100 jobs brought forward. That is well advanced. I visited that only a week or two ago. That containerisation facility on the port will increase supply chains, increase economic productivity and, of course, give job opportunities to local people as well. I think it is important to point out here that we are doing everything that we can in this space to give people job opportunities. We also, of course, have other projects happening right across the state. You would be aware—

Mr POWELL: Thank you, Mr Chair. I think the minister has given his best attempt at answering the question. If I could ask a supplementary question?

Mr BAILEY: Can I close that answer by saying that there are 21 projects involved in the accelerated works package in the TMR space. They are on track. They are happening. I think that the member is being a little bit political in terms of his attempts to besmirch what is a very strong program and a very responsible program.

Mr POWELL: I am not endeavouring to besmirch the program; I am besmirching the title—that it is about accelerated works—given that your own answer demonstrates that all but three have really only been delivered when they were intended to be delivered, maybe a month earlier.

Mr BAILEY: I thank the honourable member for the question.

CHAIR: Was there a question there, member for Glass House?

Mr POWELL: Have you misled the people of Queensland by calling this program the Accelerated Works Program?

CHAIR: No, there is an imputation there that is unacceptable. Can you ask your question?

Mr POWELL: Is it a misnomer that you have called this program the Accelerated Works Program?

Mr BAILEY: It is an accelerated works package. I say to the member for Glass House that it is an accelerated works package. There are 21 projects there. They are all accelerated. They are on track. They are being delivered. As I outlined before, they have been brought forward significantly. Director-general, do we have some details there of the specific—

Mr POWELL: One month. I would hate to see it if you were not accelerating projects.

Mr BAILEY: I am happy to read out for you the specific dates that they have been moved from and to.

Mr POWELL: The members of the public can refer to your answer to my question—

CHAIR: Can I ask the member for Glass House—

Mr BAILEY: To supplement my answer—

CHAIR: Minister, are you answering the question?

Mr BAILEY: I am. The accelerated works package: let me specifically outline it to the member, who has just made certain allegations. The facts are really quite different. The Bruce Highway overtaking lane project at Thomson Road: the original construction start date was October 2016. Its construction start date was, in fact, February 2016, an acceleration there of at least eight months. The Bruce Highway, Innisfail to Cairns, Anderson Road, Aloomba turnout: we saw it originally scheduled for 2017-18. The accelerated start date was October this year. That is clearly an acceleration.

Mr POWELL: Point of order. I did refer to the minister's question on notice response. It has been tabled. It will be available for all the public to read. If the minister intends to sit here and read out every line of that response—

CHAIR: Hold on.

Mr BAILEY: You are ignoring the facts.

CHAIR: Are you happy with the minister's answer?

Mr POWELL: I am happy with the minister's response.

CHAIR: Would you like to ask another question?

Mr BAILEY: You are ignoring the facts. You want the facts, but you are just ignoring them.

Mr POWELL: Along the same line, but moving away from the Accelerated Works Program.

CHAIR: Thanks for your answer, Minister.

Mr POWELL: The next question is to the director-general. In regard to that program and other critical investment in terms of Main Roads, when was the last time the department put an innovative procurement model to the construction sector?

Mr Scales: I thank the honourable member for the question. Can I ask for clarification what you mean by 'innovative', because we use things like double ECI—that is double early contractor involvement—which is a well-tried and tested innovation where you get to use the best of two contractors bidding for the same job. You also, under the terms of that contract, are able to use the intellectual property from one to another, so you get a better deal. That is something that we are using quite a lot now.

While I have been in the DG's chair, what I have been able to do was standardise our construction contracting suite over the last three years. It includes double ECI. We have also adopted national standards where we can—Austroad standards—so everybody knows what we are bidding against in terms of our standards. In the past, for example—just for the committee's benefit—we had our own concrete pipe specification for Queensland, which has now all gone. What we have tried to do in the department is make sure that our contracting suite is transparent and easy to understand. We have tried to make sure that our specifications are on a national standard as far as we are possibly able. We have a really good dialogue with the industry—small, medium and large contractors—to make sure that they understand where we are trying to go. On the innovation side, double ECI—double early contractor involvement—has been around for at least two or three years and we are using it great effect now.

Mr POWELL: If I may ask a supplementary to that? It is a concept of more than just project, tender, whether that be double ECI or otherwise—project, tender, project, tender. Has there been consideration given to bundling up projects and putting them to the market or other innovative procurement models? While I am on that line, you mentioned standards. Have there been attempts to put to the market where they may have more innovative solutions to some of the standards that Australia or Queensland have applied rather than rigorously requiring that it be done in the same way that it has been done for decades?

Mr Scales: I thank the member for the question. It is a very good question. We have been working with the industry over the last two or three years now on innovative ways to do things. Examples of that are foamed bitumen, which is a way to get more road surface for less cost. We are experimenting with plastics in bridges and we are working with the Wagners on that one. We are using innovative ways to do that.

Innovation has been used by the department for quite a long time now. If you take what we have done in the cape, we have been working with the local council over the last three years to seal the Endeavour Valley Road. The innovative part of that is that we are using RoadTek to work with the council to get them trained up to be able to bid for our work and also maintain our roads. We are doing the same on the peninsula development road. We are using RoadTek there to make sure that we are innovating with the local Indigenous companies. I can search on the PDR last year—the peninsula development road—where we had over 90 Indigenous people working on four jobs. We had a 25 per cent participation rate. The target from our colleagues in federal land is 1.5 per cent, so we exceeded that. I think that is a bit of an innovation. We are working with the industry a lot. We have workshops. We make sure that we take into account their views. Where it is foamed bitumen, which is an innovation that we use, we work with them as well, because it is a brand-new technique. On that side of things, we are getting pretty good results.

On the innovation side, I point to Cape York and the peninsula development road where we are working with Indigenous business. We are not giving them a handout; we are giving them a hand up. I point to where we are working with the major construction groups.

To answer your specific question on bundling up, we have one side of the industry—on the major contracts side—that says, 'Don't bundle up.' We have the smaller side saying, 'Please, bundle up.' We tend to take a horses-for-courses approach. If we bundle them up, we can exclude part of the populace of the contractors in Queensland, which we don't want to do. If we just go with major contractors, we will exclude the smaller people. We are trying to do horses for courses.

Mr POWELL: If I may ask one final question on this theme of critical infrastructure investment and pipeline projects. Minister, what happens when Moody's downgrades Queensland's credit rating again and the cheap money dries up?

Mr BAILEY: Chair, I believe that is a hypothetical question put by the member. It is probably outside the standing orders.

CHAIR: I would certainly agree.

Mr POWELL: You have no concerns should there be a downgrade that contractors will be able to bid for projects?

CHAIR: You are putting a hypothetical out there, member for Glass House.

Mr POWELL: I think it is fairly safe to say every department prepares for contingencies.

Mr BAILEY: Mr Chair, I am happy to respond.

CHAIR: The minister is happy to respond.

Mr BAILEY: One of the first things I saw as the minister was I went to the major contractors event at the convention centre. Their major criticism was the lack of new infrastructure projects under the Newman government. The only major infrastructure project that you really got going was the 'tower of power' next door for your own offices. If you want to talk about infrastructure I am happy to talk about infrastructure. It is not just me who is happy with the record QTRIP infrastructure spend in this budget, RACQ came out and welcomed the increased investment in Queensland's road and transport budget in 2016-17. It outlined the Ipswich Motorway stage 1, which is good news for future infrastructure projects, mentioned the Hann Highway and the Gregory Developmental Road and the Cape River Bridge. The Local Government Association, in fact, came out and said a critical transport infrastructure fund has been locked in for the entire Queensland local government term giving councils the certainty they need to accelerate vital road projects. Over the five years from 2015-16 when the TIDS project was increased to \$70 million, over \$600 million will be invested on the Local Roads of Regional Significance Network by 2020. We are getting major stakeholders endorsing this budget.

Mr Powell interjected.

CHAIR: Order! Please allow the minister to finish.

Mr BAILEY: You asked the question and you are getting the answer. You do not like the answer because it contradicts what you are putting here.

Mr POWELL: The answer has nothing to do with the question.

Mr BAILEY: The fact is that this a record QTRIP spend of just over \$20 billion over the forwards. We are investing in new projects like the Ipswich Motorway, we are looking at market-led proposals on the Logan Enhancement Project, we are trying to land the M1 upgrades at both the merge and on the Gold Coast. It would be helpful if we had the LNP endorsing an 80 per cent funding model as outlined by the federal government's own rules. What we need is people who want to stand up for infrastructure in Queensland, particularly on the Gold Coast where those two projects are needed. The M1 gets funded 80/20 just across the border—the same road gets funded 80/20—and we deserve a fair deal here in Queensland and the member should come in and support us on our campaign.

CHAIR: Thank you, Minister. If you have finished that line of questioning we might go to government questions for a while.

Mr WHITING: A question to the minister: Minister, I refer to page 4 of the SDS and to Budget Paper No. 3 in the 2016-17 Capital Statement. Can you please provide some of the 2015-16 QTRIP delivery highlights and outline how much has been invested in road and maritime infrastructure over the next four years or expand on what you have already said?

Mr BAILEY: I thank the honourable member for his question, also for his very strong commitment to infrastructure being funded by this government. It is a timely question, given the last one, to see what the facts are in this case. The facts are that the Department of Transport and Main Roads in 2015-16, through our QTRIP—the Transport and Roads Infrastructure Program—certainly outlines our commitment to creating jobs and a diverse economy in Queensland while also protecting the environment and creating connected communities.

The program outlines our plan to invest just over \$20 billion in 2016-17, after we had invested \$18.8 billion in last year's budget. You can see an increase over the forwards of over a billion dollars in terms of our infrastructure spend. Key projects that commenced during the period include, for instance, the Exit 54 Pacific Motorway Project on the M1, something the previous government could not get going but we did. We are looking at the Coomera interchange upgrade; the Yellow Gin Creek bridge upgrade, the Cooroy to Curra upgrade section C from Traveston to Woondum; the Boundary Road interchange upgrade on the Bruce Highway; the Eton Range realignment project; and, of course, the Gateway Upgrade North and the Toowoomba Second Range Crossing.

We are not neglecting our regional areas in Western Queensland as well where we see the Chinchilla-Tara Road Wambo Creek bridge; the Nerang River bridge to Freemar Street upgrade to six lanes; of course the Harvey Range road widening and wide centre line treatment, which I know the member for Thuringowa is very happy is progressing and happening now. In fact, it is one of the accelerated works packages projects that we brought forward and got going early—yet another one of them. That is the fact of the matter. We also have the Cairns Southern Access Corridor Stage 2. Some of the projects we have just completed in 2015-16 include, as mentioned by the director-general just now, the Peninsula Development Road upgrade stage 1, the Mein Deviation pave and seal; the Yeppen South project on the Bruce Highway at Rockhampton; the Bruce Highway upgrade from Vantassel Street to Cluten Drive; the Pumicestone Road interchange upgrade; the Northern Brisbane Bikeway—

always good to see cycling infrastructure being taken seriously by a government that understands that it is an important part of our transport network; the Roma-Condamine Road, Yuleba Creek bridge replacement; and, of course, as I mentioned before, the decoupling pad on the Townsville Port Road.

QTRIP 2016-17 to 2019-20 will support an estimated 15,900 direct jobs over the life of the program. Of that investment, approximately \$15.4 billion is for roads and maritime infrastructure and \$4.6 billion is for the rail, public transport and active transport infrastructure on Minister Hinchliffe's side of the portfolio. Approximately \$4.7 billion is to be invested in planned road transport infrastructure in 2016-17 with more than \$3.1 billion for roads and maritime infrastructure and \$1.6 billion for the rail, public transport and cycleway infrastructure. I think you can see that this increase is predominantly related to additional funding allocated under the Queensland government State Infrastructure Fund and other key programs as well as additional funding allocated by the national government for projects to be announced under the Northern Australian Roads Program.

Mr PEGG: I refer to question on notice 4 regarding the Transport Infrastructure Development Scheme. What impact does this program have in local communities?

Mr BAILEY: I thank the member for Stretton for his question. He has touched on a very important program all over Queensland, the Transport Infrastructure Development Program. This was a program that was severely cut by the Newman government, which they did not indicate before the 2012 election. As I moved around the state in my early days as the Minister for Main Roads I got complaints from councillors and mayors all over this state about those cuts because that meant the cutting of jobs in a lot of regional areas as well as the loss of infrastructure.

The Palaszczuk government took to the last election a commitment that we would restore the TIDS funding. We looked at the situation in Queensland with the drought and last year we brought that program forward by one year. We exceeded our election commitment because those regional communities in Western and regional Queensland needed the jobs. Local government has warmly embraced that policy. We have this year locked in that policy for another three years giving local government that certainty around infrastructure right across our state. It is a partnership between local and state governments. That is what it should be about; working together for very good outcomes and that is a stark contrast to the broken relationship between the local government sector and the previous Tim Nicholls-Campbell Newman government.

The TIDS funding is coordinated through the Roads and Transport Alliance under 17 regional roads and transport groups. These RRTGs are themselves groupings of local councils, for example the Bowen Basin RRTG is made up of the Banana, Central Highlands and Isaac councils. Through the TIDS program, in partnership with the RRTGs, the Palaszczuk government delivers targeted investment in local government transport infrastructure. On forming government in 2012 the previous government under Tim Nicholls reduced TIDS funding from \$63.3 million to only \$40 million per annum, a 37 per cent cut to regional infrastructure under that program. Unlike the LNP, the Palaszczuk government understands the importance of funding transport infrastructure in regional Queensland. Our 2015 state budget accelerated an increase, as I outlined before, of \$30 million per annum for the last financial year and this financial year to deliver much needed local infrastructure and jobs sooner.

What did this mean for some of the RRTGs? It meant a massive boost to funding. The increase in funding between the 2012-13 budget under the Nicholls government and the 2015-16 first budget of the Palaszczuk government was dramatic. Far north RRTGs funding grew by—wait for it—157 per cent. The outback RRTGs grew 143 per cent. Western Downs and the South-West RRTGs each increased by 279 and 286 per cent respectively. Our 2016 state budget saw this commitment maintained for a further three years, with an additional \$90 million for TIDS over the three-year period from 2017-18 to 2019-20. The additional \$30 million per annum increased the local TIDS base allocation from \$40 million to \$70 million per annum and, of course, being a fifty-fifty project you get great mileage out of this program. This not only extends our TIDS commitment across the life of this current QTRIP, it also extends it throughout the term of all those council's elected to new terms earlier this year. It means they have the security to properly plan and deliver their local infrastructure for their communities and they can do so in the secure knowledge that the funding is there.

Beyond the projects themselves, TIDS also supports local jobs. For example, the 2015-16 TIDS comprised 283 programs statewide and it is estimated that RRTGs have supported 461 jobs. It is a tremendous program. It is based on our strong working relationship with local governments. It is delivering improved infrastructure and supporting jobs in communities right across Queensland, particularly in regional Queensland.

Mrs MILLER: Minister, I would like to take you through you a case study in my electorate in relation to e-toll. I have a constituent whose first name is Matthew. He racked up 70 tolls. He freely admits that it was his mistake. But now his bill has gone from \$700 to \$20,000. Over the period of time he has continuously been bamboozled by how much he has been required to pay back. The Transport Infrastructure Act allows the tolling operator to charge reasonable costs which are to cover the costs of administration, which I understand is around about \$23.46. Will you consider amending the act to stop this gouging of people using toll roads?

Mr BAILEY: I thank the member for her question. She is right to highlight that there does need to be some improvements in terms of the tolling system in Queensland. I am happy to outline that Transurban recently reached an agreement with the Palaszczuk government to allow the company to have more contact with motorists earlier that have unpaid tolls. As a result, Transurban can now work more closely with customers to clear unpaid tolls before they are referred to the state enforcement body with its higher fees and penalties.

These changes are part of a broader set of customer service adjustments and improvements that Transurban has introduced in recent months in which we have been having a discussion with them and we have certainly been very encouraging and supportive of them heading in that direction. These adjustments include waiving the first toll invoice fee if a customer opens a prepaid account with go via and a new first time forgiveness program to help account customers who have inadvertently made a mistake get their account back on track by waiving toll invoice fees in the first instance. They are also actively communicating with customers about the importance of listening to their tag beeps for vital account information. They are providing additional alerts to customers who have run out of credit on their go via account and may be incurring avoidable fees. There is also an ongoing education program to help customers manage their toll payments and account preferences and there is a hardship policy as well as to assist those customers who are experiencing financial difficulties.

We are taking positive action in concert with Transurban to address Queensland's unpaid fine and penalty debt which currently sits at \$1.12 billion. We are serious about improving the systems to make it easier for people who want to pay their fine and to make it harder though for repeat offenders who get away with not paying deliberately. I think we have to be careful to make sure that we separate those two groups of people, because obviously they are very different in the way that they approach it.

I can inform the committee that under the watch of the opposition leader, the member for Clayfield, as Treasurer, the number of new unpaid fines and penalties added each year doubled to more than \$1.5 million thanks to the automatic referral of toll road penalties. We are now learning more and more about what went on in 2014 from the briefs we received since coming to government. I can confirm that it appears that the member for Indooroopilly, when he was the minister for transport, approved the issuing of penalty infringement notices for all tolling debts for Transport and Main Roads, which led to them being referred to SPER by the Department of Transport and Main Roads. SPER was not consulted or aware of the reasons for the former transport minister's decision at the time under the Nicholls-Newman government. We have since been advised that this change resulted in a rapid escalation in unpaid PINs referred to SPER and tolling related PIN volumes rose from an average of 150,000 PINs per annum to approximately 700,000 PINs per annum. That is more than a 400 per cent increase under the previous government.

You are absolutely right to highlight this as a problem. In practice, TMR was not able to process the full volume of those PINs, for understandable reasons. Treasury briefing notes advised that this has resulted in accelerated growth in the SPER debt pool, with tolling increases from seven per cent of the SPER debt pool makeup to now over 30 per cent in just two years. We have also learnt from briefs that work was underway to procure a debt services manager to broker arrangements with debt collection agencies on SPER's behalf, under the Nicholls-Newman government. It sounds a lot like outsourcing by the member for Clayfield to fix a problem that was caused by the member for Indooroopilly when he was the minister for transport.

To clean up this mess and introduce a suite of SPER reforms that are fair, SPER has since worked with the Department of Transport and Main Roads and Transurban to understand the impact of this change on SPER operations, the growth in the debt pool and the action that can be taken. In April this year, SPER, Transport and Main Roads and Transurban signed an agreement providing Transurban with greater opportunities to collect tolling debt and limit the number of PINs that will be referred to TMR. Due to the ineptitude of the opposition leader when he was the treasurer and the former transport minister, however—

Mr POWELL: You can't let that go, Mr Chair.

Mr BAILEY: I will withdraw. Perhaps I should say, 'the folly',

CHAIR: Order! I ask the minister to be a little less argumentative.

Mr BAILEY: Perhaps 'the folly'. Certainly, it is a decision that is hard to defend when you look at more than a 400 per cent increase. However, toll evasion now forms, as a result of that, the largest single component of outstanding SPER debts. At the end of March, tolling debts stood at \$233 million. This additional volume of unpaid fines has stretched SPER's resources and the IT system. I can inform the member that a new ICT solution, introduced by the Palaszczuk government, will allow SPER to communicate more effectively with customers and offer greater flexibility in payment options, including using an online portal, a mobile app and over the phone, because different customers have different ways of communicating. This will be achieved without outsourcing recoverable debt to private debt collectors, as they were looking at so that they can make a profit of it, while leaving harder-to-recover debt to state, as the LNP tried to do. I hope that is a fairly comprehensive answer.

Mrs MILLER: I have a follow-up question, if I may, Chair. Is the Brisbane City Council part of this agreement with the department? Would you consider publishing the agreement, so that people know exactly what is going on?

Mr BAILEY: I might ask my director-general to comment on that, because obviously this is something between us and the state government. The BCC might be able to answer that. The DG might have additional information.

Mr Scales: We could certainly look at doing that, because it is not a secret. We are trying to get the toll operator, Transurban, to ring people up or contact them, rather than just resorting to things going through the post, as the minister has just said. As far as the BCC arrangement is concerned for the Go Between Bridge, Legacy Way and their other tunnel, Clem7, I am not really au fait with all of the details behind that. They have not been involved in these discussions with Transurban, but certainly we can get back to you on that one.

Mrs MILLER: Thank you so much.

CHAIR: Is that a question on notice?

Mr Scales: I can probably do it during the session, Chairman.

CHAIR: We will get back to that this session. We will move to non-government questions.

Mr POWELL: Minister, I refer to SDS page 11. Can you advise the process for determining that the Queensland government would develop a learner driver e-logbook mobile app?

Mr BAILEY: I can inform the committee that an Australian business, Oakton Services Pty Ltd, was engaged to build the learner logbook app. Oakton was selected in accordance with the Queensland government procurement policy, which permits the Department of Transport and Main Roads to engage with companies with interstate and overseas offices and staff. All of TMR's many interactions with Oakton, throughout the entire app creation process, were with Brisbane based developers. Less than one per cent of the learner logbook app coding was carried out offshore. I think that gives you a bit of a sense of it. I know there was some reporting around it, but the facts are exactly as I have outlined there. It is very much a local company.

Mr POWELL: Thank you, Minister. You have answered how it was built and by whom, but I was asking about the process that you undertook as a government to determine that you should be building a learner e-logbook mobile phone app. What other options or solutions were considered before putting that out to tender?

Mr BAILEY: This program is a very strong one. Having done the logbook myself with my nephew—I have done about 80 hours of it, actually—I think it is a very strong initiative in terms of bringing it into the digital world and making it easier for users. In terms of the actual process, I will ask the director-general to comment on the history going back.

Mr Scales: My understanding is that we were asked if we could get this online or on a mobile device, either on some sort of iPad or a mobile phone, so we went ahead and developed it from there. The minister just said he had to fill out 80 hours. I had to do 100 hours with my son. I laboriously filled all the records in. I believe this is just an easier way to do it, member for Glass House, if you can use either a mobile device or an iPad.

Mr POWELL: Minister, were either you or the director-general aware that the RACQ had a similar free app for learner drivers?

Mr BAILEY: I think the more products out in the marketplace, the better. I commend the RACQ. They are the foremost motoring stakeholder group. I commend them for being in that space. They certainly advocate for motorists very well. The more products that are in the marketplace and the more choice we have for consumers and motorists, that is a very good thing.

Mr POWELL: Minister, was there any investigation done to see if it was more cost effective for the Queensland taxpayer that you link the RACQ app with TMR's system, rather than creating your own mobile app?

Mr BAILEY: Given that it is a requirement in Queensland to have the logbook, it was a very good reform that I think is seeing some very strong road safety outcomes in Queensland. It is to the credit of Transport and Main Roads that they have looked to the digital world to innovate and make sure that people can use their iPhones and make it easy. When I talked to students at Balmoral High with the member for Bulimba, they thought it was fantastic. It is not exactly the same product as the RACQ's. People should have choices in these things. I think that is a good thing.

Given that we are clearly in the space of promoting road safety outcomes, this allows us to get road safety messaging across, through our app. There is an interest here in terms of road safety outcomes. In particular, most of these people using the app will be young drivers. There are benefits for us from a road safety point of view, in terms of having our own app. I have no problem whatsoever. I think it is a great thing that the RACQ has its own app. We work with the RACQ on road safety matters, as I am sure you are aware. We very much value that partnership, but we do not think it is necessarily a bad thing to have choice in the marketplace. We see real benefits in terms of getting those road safety messages out there to what is, to be quite frank—and you are probably aware of this—the most vulnerable cohort out there. Young drivers make up 14 per cent of our drivers and 34 per cent of fatalities. This gives us an opportunity to engage with them a little better.

Mr POWELL: Just to be clear, you are quite comfortable with the fact that, according to your answer to a question on notice provided to this committee, to date the government has spent some \$300,000 designing and building this app and is committing over \$100,000 on an annual basis to maintaining it, even though there was an existing private sector app of similar capability that did not cost the taxpayer a cent?

Mr BAILEY: As I outlined before, there are benefits for us in terms of being able to get our road safety messaging out to what is largely a young driver cohort. I think that is a very positive thing. I do not think it is a large amount in terms of continuing that engagement with, let us face it, the digital natives of 2016. That is how they communicate. That phone is absolutely critical for us to be able to engage with them and increase our engagement around them to get road safety messaging out there. We are very keen to do that. That is part of why we have done that. I think it is a reasonable investment in road safety. I am very committed, as the first road safety minister in Queensland, to try to achieve good strong road safety outcomes wherever I can and that young cohort I have very firmly in mind. I have two driving aged nephews, who are 19 and 20, and a niece who is about 13. I am very conscious of trying to get better outcomes there.

Mr POWELL: I will take that as a yes, Minister.

Mr BAILEY: You can do so.

Mr POWELL: Director-General, how many downloads of the app have occurred to date?

Mr Scales: I will have to get back to you on the exact number. I would not like to guess at this point.

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

Mr Scales: We will get it before the end of session.

Mr POWELL: Director-General, while you are checking the number of downloads, could you also confirm the number of completed logbook applications that have come through the downloads?

Mr Scales: Yes, we can do that.

Mr POWELL: We can all compare who has the most children, nephews and nieces. Once the logbook has been downloaded, they complete it. Can I get the number of completed logbooks submitted via the app?

Mr Scales: We will attempt to get that before the end of the session. Chair, if we cannot get it, we will take it on notice.

CHAIR: Can we get the wording of that, in case it is taken on notice?

Mr POWELL: I will have that ready.

Mr BAILEY: We are happy to do that. This is very early days. To put up 100 hours takes a bit of time. I would suggest to the committee that making an early judgement about numbers at this point, when often it takes people 11 months—

Mr POWELL: That is a hypothetical, Mr Chair. He is speculating on the reason for my question. It is completely unnecessary.

CHAIR: He has agreed to get you the figures.

Mr BAILEY: I am happy to do so.

CHAIR: I am sure we all have children who have gone through that laborious 100-hour process. Do you have another question?

Mr POWELL: Minister and Director-General, I refer you to page 17 of this year's QTRIP. I am seeking clarification whether the line item 'Statewide, Piloting Future Technologies\Intelligent Transport System Pilot Program' falls within your portfolio responsibilities or that of your colleague the member for Sandgate?

Mr BAILEY: Is that a question for the director-general or me?

Mr POWELL: Can one of you clarify that line item in QTRIP on page 17, 'Piloting Future Technologies\Intelligent Transport System Pilot Program' falls within your portfolio or that of the member for Sandgate?

Mr BAILEY: I do not have a QTRIP handy here. In looking at the future in terms of technology and its implications on our roadway system, we are certainly engaged in that space. I can assure the member of that. In the way that technology is changing and evolving out there, both in terms of intelligent transport systems and also in terms of car technology, it is advancing very strongly.

We are very interested in the implications that has for our transport system. I know that the director-general—and I might ask him to say a couple of words—is on the board of ARRB Group, the Australian Road Research Board; the national body that is looking at a lot of these issues. I had the benefit of being in a driverless vehicle in November last year after the transport minister's council meeting in Adelaide. They shut part of the southern freeway and had a couple of driverless Volvos that ARRB were involved with. It is very impressive technology. Their brief to me was that—

Mr POWELL: Given the question was whether it is his portfolio responsibility and he has now answered extensively, can I take it that he is happy to answer questions on that line item?

CHAIR: Minister, are you happy to answer questions on that line item? You have been answering some on that.

Mr Powell interjected.

CHAIR: Member for Glass House, you have asked me to rule on something; allow me to do that.

Mr BAILEY: It is within my realm of ministerial responsibilities, yes.

Mr POWELL: Director-General, I will take the minister up on his response. Can you please outline the kind of road infrastructure that would be referred to under that line item in QTRIP?

Mr Scales: Basically this is the line item for autonomous vehicles but also something called cooperative ITS. Cooperative ITS is how autonomous vehicles will actually communicate with our infrastructure—the roads, bridges, culverts and city centres we have, for example.

The advent of autonomous vehicles is really exciting. If you buy a car from Europe it is already packed with electronics that will give you lane control and will also give you an alert if you are getting too near to the vehicle in front. What the department is doing is obviously keeping alert to that because it affects our infrastructure, it affects our junctions, it affects our traffic light systems, it affects everything that we are doing on our network.

It is not just the autonomous vehicle side, it is also something called cooperative ITS which is moving apace, not just here. The minister has mentioned ARRB that is doing a lot of work in this space as is Austroads and all of the road authorities in Australia, including Tasmania. The bottom line is that we have to be alert to what is happening. We have to make sure that our structures will communicate with autonomous vehicles and vice versa.

Mr POWELL: Do you need to do that given that the car companies themselves and Google are doing that work for you? I notice under this line item there is some \$3 million allocated, why are we replicating work that the companies are doing themselves and, might I suggest, that they are doing at a far greater pace than we as a state could ever achieve?

Mr Scales: I think that is a very good question. We need to be ready. If you take BMW, for example, they are creating a BMW cloud to put all their data sets in. We have to make sure that whatever is in that cloud talks to the Mercedes Benz cloud and the Audi cloud and whatever else.

Mr POWELL: Why do we need to do that, Director-General; why can BMW and Mercedes not do that?

CHAIR: Member for Glass House, allow the director-general to answer the question you asked.

Mr Scales: They are actually in competition. We as a department and as a state need to be ready for the inevitable rise in autonomous vehicles. It is going to happen. You also have the freight space with the platooning of vehicles—the first vehicle has a driver but the following vehicles do not.

It is not the fact that they are doing it for us; I do not think they are. They are doing their own thing: to supply their own vehicles into their own market. If you take a Mercedes Benz, it is getting really difficult for a non-Mercedes Benz dealer to actually do any of the maintenance.

In short, I think they are using shutout to protect their marketplaces. What we are doing is making sure that whatever we have on our road systems—our traffic light systems, our monitoring systems—can talk, no matter where the vehicle is from. We are also making sure that our cooperative ITS, the intelligent transport systems, are actually ready for that.

It is moving really quickly. There was a two-day symposium in Brisbane earlier in the year at which we had not just practitioners but also manufacturers and systems integrators. The national ITS conference is in Australia in October this year. That will take it to another level.

Coming back to your question, we have to be involved because if we are not we are going to be left behind. We have to be involved because the advent of autonomous vehicles allows us to drive down to a zero road toll. You have to be involved because you may get BMW doing something and Audi doing something else, but our infrastructure still stands.

We need to make sure that we are integrating. We need to make sure that we are up to speed with the developments. We need to make sure that any decisions we make, say, on our stream system—which is the method to control our traffic lights, the way that we get emergency vehicle priority—will talk to autonomous vehicles in the future. It is a sufficient and necessary line item, I would submit.

Mr POWELL: I do not dispute that we need to be involved, but if I can use an example, in 1900 horse manure was the big issue in the streets of New York.

CHAIR: Is there a question there somewhere?

Mr POWELL: There is a question. Horse manure was the big issue in the streets of New York in 1900. It was ultimately solved by Henry Ford. What we have here are cases of the market driving the solutions. Can you please provide, if not right now by the end of the session, a total figure of the investment that the state of Queensland is putting into cooperative ITS?

Mr Scales: It would be very difficult because it is not just capital or revenue, it is all the staff as well. It is the work that we are doing in concert with Austroads, ARRB and the other road authorities. This is a very exciting development. It is something the department is really interested in in the innovation space.

Mr POWELL: I am happy if the minister would prefer to take that on notice given the scope.

Mr BAILEY: I would like to make a comment to add to the director-general's comment. There is a very simple answer here, member for Glass House. That is that the private motor vehicle companies do not run the infrastructure—we do. We have a road system with 33,000 kilometres. We run the infrastructure. We have to make sure that it evolves in a way that is in parallel with the technological advances that are going on in the automotive industry. To not do so would be absolutely negligent.

Mr POWELL: Or the motor vehicle companies need to ensure that their vehicles can operate on your infrastructure?

Mr BAILEY: Just let me answer the question.

CHAIR: Member for Glass House, I cannot hear the minister answering. You will have time to ask another question.

Mr BAILEY: It is pretty simple. Governments all around the world are looking to see what the implications are for their transport systems to make sure that we move with the pace of technological change. To not do so would be absolutely negligent.

We are not the only state government or national government doing this. This is happening all around the world. If you think that we should not be in this space—

Mr POWELL: No, I have not said that, Minister.

Mr BAILEY: That seemed to be the implication in your question.

Mr POWELL: No, I simply asked to have a total cost of what you are doing to check the implications.

Mr BAILEY: It is a pretty unusual and bizarre position to be putting to the committee.

Mr POWELL: If the minister cannot answer the question, I am happy for him to take it on notice.

CHAIR: The minister was answering the question and you kept talking over him.

Mr POWELL: The minister did not give a total value.

CHAIR: You were not allowing him to answer the question. Do you have a follow-up question?

Mr POWELL: How much is being spent by your department on this cooperative ITS?

Mr BAILEY: As outlined by the director-general, this is mainly a staff related matter. It is a difficult matter to articulate a specific number for. It is an absolute responsible use of departmental resources for us to be—

Mr POWELL: I take that as he does not know.

Mr BAILEY:—absolutely across the latest technological changes and the impacts they have on our road system across Queensland.

Mr POWELL: Would you like to have a go at totalling that up?

Mr BAILEY: There are very clear implications from an economic point of view, from a road safety point of view, from a jobs point of view. We should be on the cutting edge and we should be involved in this process.

Mr POWELL: Are we going to be giving money to Dominos to deliver pizzas with drones?

CHAIR: Member for Glass House, please desist interjecting.

Mr POWELL: If the minister were attempting to answer the question—

CHAIR: You have asked a question. The minister is answering the question.

Mr POWELL: He is not.

CHAIR: If he does not wish to take it on notice, as you keep interjecting, he does not have to. He is answering the question. Please continue minister.

Mr BAILEY: I have fully answered the question. I absolutely endorse the comments of the director-general. Most of the costs are related to staff actions. That is very hard to separate out as a separate line item. Of course we are doing this work. Any responsible government will be doing this work all around the world. The suggestion that somehow we should not be is quite bizarre.

CHAIR: Do you have a follow-up question or another question?

Mr POWELL: The minister cannot answer them so there is not much point at the moment. I will wait until I can ask the director-general a couple more questions on an unrelated matter.

CHAIR: We will move to government questions. Page 21 of the SDS refers to the government's allocation towards the Pacific Motorway-Gateway Motorway merge upgrade. What other works are under consideration for the Pacific Motorway?

Mr BAILEY: The M1, the Pacific Motorway, is a very high priority for this government. The exit 54 project is well advanced. I actually passed through there on the weekend. This is a \$74 million project, of which the Palaszczuk government is doing the heavy lifting in terms of funding. We are funding \$47 million of it. I think there is about \$17 million in there from the private sector.

It is a very critical upgrade in terms of reducing bank-ups onto the M1 from the ramps. Growth in that area has been huge. The road system needs to move with it. Sadly, we saw absolutely nothing happen under the Nicholls-Newman government. We are investing and getting that project done. There are a lot of jobs involved. We are doing studies around the ramps around Yatala, Ormeau and Pimpama. We are also doing the planning for the whole M1 network. We are absolutely prioritising the M1. We are also expanding, in the other part of the portfolio, other travel capacities between the Gold Coast and Brisbane through light rail and the duplication of the rail corridor from Helensvale to Coomera.

We are very committed to the M1 and getting the merge upgrade done at the Gateway arterial and also between Varsity Lakes and Mudgeeraba. We have been very fierce in standing up for motorists, particularly residents in Logan and on the Gold Coast who have been suffering from traffic congestion.

I note the very strong contributions of the mayor of the Gold Coast and the mayor of Logan who have endorsed the state government's campaign for a fair funding deal for the M1 from the federal government. We have also received support from the RACQ and the CCIQ. The Queensland Trucking Association has also been involved.

We have written to the Prime Minister to ask for a delegation and a hearing so that we can get these two projects. What we see is the M1 just across the border in New South Wales is funded 80-20 under the National Land Transport Network rules and yet somehow when you come across the border to Queensland it only seems to deserve 50 per cent from the federal government. That is unfair and discriminatory against Queenslanders. I do not see why New South Wales should get a different funding formula when the clear federal government rules are 80 per cent funding on NTLN. They seem to want to short-change Queensland.

I think that is really unfortunate. All members of parliament, particularly state members of parliament from the Gold Coast, should be endorsing our campaign to get an 80 per cent fair funding deal from the federal government to get these two projects up and running. What we saw under the national partnership agreement that was signed in 2014 by the then federal government under Tony Abbott and the then state government under Tim Nicholls and Campbell Newman was not a single dollar for the M1—not a single dollar for an upgrade. That is the record there. That is shameful.

We have already seen investment from the Palaszczuk for exit 54 of the M1 and planning studies for the rail corridor. We have to get these two projects up and running as soon as possible. I look forward to going to Canberra with the delegation. It is a delegation from right across the political spectrum—motorist groups like the RACQ, the Trucking Association, the business sector, the mayors of Logan and the Gold Coast. This is a broad coalition of people who want a fair deal and fair go for the M1. We look forward to continuing our advocacy with the federal government to get the fair funding deal that the same road gets just across the border in New South Wales.

Mr WHITING: Page 6 of the SDS refers to the Western Roads Upgrade Program. Can you advise the committee of what this program is delivering to the communities in Western Queensland?

Mr BAILEY: I thank the honourable member for the question and for his interest in regional Queensland, particularly the western part of our great state. I had the great privilege to travel through there after the budget. I travelled to Winton, Barcaldine, Longreach, Mount Isa and Charters Towers. The Western Roads Upgrade Program is a \$40 million investment in Western Queensland roads by the Palaszczuk government. We recognise the importance of a safe and reliable road network for people who live in Western Queensland.

The program is focused on road widening and sealing to both improve efficiency and safety and to reduce maintenance costs and, of course, to boost jobs out there. We brought this program in last year. This is the second year of it. It is not just to put infrastructure into Western Queensland—I note the endorsement of the Local Government Association for our investment in infrastructure—but also to help maintain jobs out there where incomes are really critical. Particularly with the drought, every income really matters. Just as importantly, it provides a sustainable pipeline of investment to support local jobs including those local government workforces in 12 Western Queensland local government areas. The councillors and the mayors that I talked with at the bush summit of local government absolutely love this program and were very supportive of it from right across the political spectrum.

Works on the 14 projects that make up the program are progressing well and will be completed by the end of June 2017. Some of the highlights of the package include \$13 million for key upgrades on the Diamantina Developmental Road from Charleville to Boulia; \$4 million for the Burke Developmental Road between Burke and Wills Junction and Normanton, being delivered by the Carpentaria Shire Council; and \$5 million for the Gulf Developmental Road between Croydon and Georgetown, being delivered by the Etheridge Shire Council and the Croydon Shire Council.

The other groups that are involved in the delivery of projects include Myuma, which is a fantastic Indigenous training organisation at Mount Isa that does fantastic work. I was very pleased to meet with them when I was in Mount Isa recently. We are seeing the McKinlay Shire Council, Richmond Shire Council, Cloncurry Shire Council, Boulia Shire Council, Diamantina Shire Council, Quilpie Shire Council, Murweh Shire Council, Bulloo Shire Council and Paroo Shire Council all benefit from this western roads package.

We are committed to Western Queensland roads. It is absolutely critical out there. We will see a lot of roads that have not been sealed being sealed and we will see safety on some of these roads that have been sealed improved through these projects. Importantly, it will support local jobs in Western Queensland at a time when after a number of years of drought it is very important that every income really matters in those communities.

Mrs MILLER: Minister, I would like to take you to the Centenary Highway where there is a shocking choke point at Springfield. You come along from Springfield Lakes and then you get to the interchange where you get on to the Logan Motorway to either head to Ipswich or to the Gold Coast. It goes from 100 kilometres an hour down to 80 kilometres an hour down to 60 kilometres an hour. There are literally hundreds of cars that are stacked up there of a morning and they cannot move. Quite frankly, they are sick of it and so am I. I was wondering what is being done in relation to the planning and the funding of that interchange upgrade and when it will be completed.

Mr BAILEY: I thank the member the question. I am aware that there are congestion issues around that area. This project, as I recall, was funded or announced by the previous Bligh Labor government and then cancelled by the Newman-Nicholls government. That is my recollection. Unfortunately, with the cuts by the Tim Nicholls-Campbell Newman government of \$600 million in roads over three years, we have seen a lot of work not done that should have been done. That has been regrettable. We also saw \$100 million spent by the Nicholls-Newman government preparing for Strong Choices and contestability when in actual fact that would have been money better spent on our roads on projects like this.

We are trying to deal with the congestion along this sector. You would be aware that the Ipswich Motorway upgrade stage 1 from Rocklea to Oxley Road roundabout has been funded now with the federal government. We are getting on with that. That is going to be good for the system. There will be more work to do after that. That is absolutely true. I am aware of this intersection. It is not currently funded in this year's budget. I am aware of the issue. As we move along, hopefully it is something that we will be able to come to in the future.

Mrs MILLER: What do I tell my constituents who complain every day to me about it? They are not interested necessarily that the previous government ripped the money out because they already know that. They just want it fixed. Are we looking at five years or 10 years?

Mr BAILEY: All I can comment on is the current budget, this current financial year. I am aware of the issue. I can ask our department to have a look at it and to do a current assessment and see whether there are some short-term wins that we might be able to get out there. I am happy to have a look at the problems specifically and get my director-general to go out with our department to have a look at the current situation and see whether there are some interim things we could possibly do. I am happy to do that and work with you on that. In terms of an extensive full solution, that is not something that is funded in this year's budget. I do appreciate you raising the issue with me. That is something I will consider as we progress. Hopefully, we will be able to find some funding for it in the future.

Mrs MILLER: Director-General, you would be most welcome in my area.

Mr Scales: Thank you. I would be happy to attend with you and have a look on site. Can I respond to one of the issues on notice from the member for Bundamba on tolling and the Brisbane City Council? They were not part of the agreement between Transurban and TMR, so they were not part of the agreement. Transurban, however, I can report are currently working on a range of improvements with Brisbane City Council. We have asked Transurban if we can release the agreement. At the moment they are saying it is commercial. I will try to see what can be released, as we said.

Mr PEGG: I refer to page 9 of the SDS which refers to improving road safety by delivering initiatives in the Queensland Road Safety Strategy and action plan. Can you update the committee on the progress of that implementation?

Mr BAILEY: I thank the member for Stretton for the question and his interest in road safety in Queensland. Any member of parliament would be honoured to serve as a minister but, as Queensland's first ever road safety minister, I do acknowledge the particular responsibilities that come with such an important portfolio. Our road safety agenda is a challenging strategy which aims to save lives. The Queensland Road Safety Strategy introduces a vision of zero road deaths and serious injuries for Queensland which, supported by our action plan, is a genuine commitment to keep our community safe and to keep improving road safety outcomes every year. Because the true road toll is broader than fatalities alone, there is an enormous social, economic, community and personal toll out there. That can be true for someone who walks away from a crash with little more than a scratch. It has a long-term impact on many, many people.

We need an ambitious vision with interim targets to inspire and to motivate action. The strategy has the following targets: to reduce fatalities from the 2008-2010 average of 303 to 200 or fewer by 2020 and also, importantly, to reduce the hospitalised casualties from 6,670, which is the 2008-2010 average, to 4,669 or fewer by 2020. I think this is an understated part of road safety. The hospitalisations and trauma that occur from accidents are a huge cost in our community. The headliner of course in the

media tends to be the fatalities for obvious reasons, and that is fair enough. What often does not get reported is the trauma and the hospitalisations. That is something we are keen to continue the conversation about because they have a big impact in the community as well.

We are also well on our way to delivering our current two-year action plan, investing \$500 million in 57 key initiatives. Highlights there include delivering 10 major road safety engagement campaigns and events including our youth road safety innovation challenge, which resulted in the 'Settle down stallion' road safety campaign. That is one the department and I are very proud of. At the roundtable last year—and I know Mrs Miller was there and made a very strong contribution—with stakeholders, after our horror April weekend, someone made the observation towards the end: where are the young people in the room? The answer was that there was not anyone under 35 in that room. We went away and looked at the issue of how do we engage young drivers, our biggest and most vulnerable cohort with the most fatalities? How do we engage with them in a way that they relate to? The Co-Lab Youth Innovation Challenge came out of that. We got young people from all over Queensland together to workshop how we get that message across. We wanted young people to help us engage with young people. This digital campaign, the 'Settle down stallion' campaign, has come out of that. It has been a very successful campaign online. It has gone a bit viral. It is a very strong campaign.

We have also had reforms to motorcycle licensing. We have also seen the introduction of new mobile phone offences for repeated mobile phone use while driving and the investment of over \$140 million in 2015-16 and another \$198 million in the current financial year to provide safe and protected roads, treating the most risky zones. With the help of our road safety partners—and I would like to thank all of the stakeholders who work with us closely and who have put a lot of time in to working with us—we will deliver another significant program of infrastructure, education and enforcement this coming year to continue to save lives on our roads here in Queensland.

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

Mr POWELL: Director-General, I refer you to page 21 of the QTRIP where it appears that there has not been an allocation in this financial year for black spot projects. Can you please confirm that?

Mr Scales: Black spot projects are funded by the federal government. There will be an allocation in the program somewhere. I cannot point to it at this point in time, but it is an ongoing federally funded project.

Mr POWELL: It is showing funding for 2017-18 and 2018-19 onwards but there does not appear to be an allocation for this year.

Mr Scales: If that is the case, it may be a function of timing.

Mr POWELL: Director-General, I then refer you to a line item titled 'Other construction' on page 128 of the Capital Statement which has been cut by over \$300 million. Can you explain what works are constructed out of this fund and, of those, what have been cut for the coming financial year?

Mr Scales: Can you give me a moment to find it?

Mr POWELL: Not a problem, Director-General.

Mr Scales: Where are you looking, member?

Mr POWELL: There is a line item titled 'Other construction'.

Mr BAILEY: About a third of the way down?

Mr POWELL: Yes. The comparison of the amount from the previous year to the coming year is \$300 million less. I am asking what sorts of projects would normally be built under 'Other construction' and therefore what is being cut?

Mr Scales: I will take that on notice. There has not necessarily been a cut because the capital program is subject to changes, mainly accounting changes. As an example, we made savings on the NDRRA budget which were returned. We made savings on various elements of the capital program which were then reallocated to go across to light rail 2. We did actually complete certain works in the previous financial year which when we put the budget together it was not known that we would complete them by that time. There are also issues with the Toowoomba Second Range Crossing and new generation rolling stock, which are obviously PPPs. The accounting treatment on that changed as well. There could be a technical accounting reason for it. With the chair's leave, I will get a response for you before the session is finished.

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

Mr BAILEY: I am happy to take that on notice. In terms of the other matter on notice to do with the learner logbook, I have some information and I am happy to provide it to you. Would you like that now?

CHAIR: We could do that at the end of the session.

Mr POWELL: At the end of the session, if that is all right. I will just continue this line of questioning.

Mr BAILEY: Sure.

Mr POWELL: Director-General, I want to take you to the Logan Road-Kessels Road intersection on page 42 of this year's QTRIP, or page 31 of last year's. In last year's allocation there was \$400,000 for a planning study on the intersection. In this coming financial year, there is \$500,000 for a business case. Are they the same or is this additional money to again study the same intersection?

Mr Scales: Thank you for the question. What we tend to do is go through a multiphase process. We do a planning study first. As I said, the state planning program is \$67 million, with over 400 projects in it. Once those have gone through a planning stage, we then proceed to a business case if we have the budget, and the business case will firm up the planning stage. There is a further stage in the process if the project is over \$100 million. If it is over \$100 million, we might have already done the planning but the business case will then be conducted by Building Queensland.

Mr POWELL: The assumption is that this is an expensive project. It has had a planning study done. It is now having a business case done for a subsequent tender should it be determined to be a priority.

Mr Scales: Thank you for the question. It is not necessarily an expensive project; there is a staged process to it. First we look at government policy as to what we are required to do. The state planning program, which I referred to in the earlier QTRIP response I gave, is what we intend to do. Once it has gone through that gate, we will move into a business planning situation.

Mr POWELL: Minister, I refer you to the M1 upgrades that are listed on a number of pages of the Capital Statement including page 116. Minister, in a comment you made to the *Gold Coast Bulletin* on 19 July you said that you had not received any letters from the member for Coomera about the M1, and yet I have here correspondence from the member for Coomera to you on 7 July. Minister, do you make it a habit of misrepresenting other MPs to the media?

CHAIR: Order! There is an inference in that question. 'Do you make a habit' were your words?

Mr POWELL: Minister, do you misrepresent others MPs to the media in order to play dumb and shirk your responsibility to fix these problems?

CHAIR: Rephrase that question. That is really out of line.

Mr POWELL: Minister, would you like to rephrase your comments to the media on 19 July given that there is correspondence between the member for Coomera and you?

Mr BAILEY: I thank the member for his question. At the time I made that comment to the newspaper my understanding was that that was entirely accurate. I had not seen any letter from him. If the letter you are referring to is indeed dated 7 July—and I am happy to check the departmental records about when it might have been received and am happy to report back, but I do not in any way accept your characterisation of your comments. All comments I make to the media are based on what I understand to be the facts. That is always the way I operate. I am personally offended by the insinuation that I would do anything other than that. I will fight hard for M1 funding. I have been doing so and I will continue to do so, in the absence of that happening from your compadres on the Gold Coast

Mr POWELL: I am happy to table a copy of the correspondence from the member for Coomera for the minister's benefit to assist him in his—

CHAIR: Do you have copies for everyone?

Mr POWELL: Correct.

Mr BAILEY: I am happy to investigate the question raised by the member, but I make it very clear that to my knowledge at that point in time I had received no correspondence from the member for Coomera. I am happy to check departmental records, but it certainly had not hit my desk at that point. If he did indeed write on 7 July 2016, it has only taken him more than a year to write to me about it.

CHAIR: Do we have a copy for the minister as well?

Mr POWELL: There are 10 copies there.

CHAIR: There being no objection, leave is granted.

Mr McEACHAN: My question is to the minister. I refer to the answer to question on notice No. 4 about the TIDS funding. Does the minister support Gordon-Palaszczuk government members claiming there are no plans and have never heard anything of the sort in relation to upgrading the intersection of Shore and Wellington streets in Cleveland in Redland city?

Mr BAILEY: Can you repeat that question for me?

Mr McEACHAN: Does the minister support Gordon-Palaszczuk government members claiming there are no plans and have never heard anything of the sort in relation to upgrading the intersection of Shore and Wellington streets in Cleveland in Redland city?

CHAIR: Is that a question relating to this budget?

Mr McEACHAN: Yes, it relates to—

CHAIR: Is there an SDS reference?

Mr McEACHAN: It was a question on notice for TIDS funding.

CHAIR: Minister, are you happy to answer that question?

Mr BAILEY: I am happy to take it on the notice. I am not aware of the specific comments that the member is referring to, but I am happy to take it on notice and come back to it.

CHAIR: I think it is a hypothetical question.

Mr POWELL: No, it is not.

Mr McEACHAN: It is specifically comments made by the member for Capalaba last week in the *Redland City Bulletin* of 20 July.

Mr BAILEY: I am happy to look into the matter, but I do understand that the member for Redlands and the member for Capalaba tend to have a creative conversation in the local media quite often so I am not surprised to hear that. I am happy to have a look at the matter. I am also happy to report to the committee that, despite the claims by the member for Redlands that we did not spend any money on roads in his area, we have spent \$17 million in Redlands this financial year in his electorate where we are investing in the Mount Cotton Road major realignments worth \$2.9 million and the Redland Bay Road widening at \$2.3 million. We are also investing in Mount Cotton Road in four different sections for widening and improvements of about \$8 million.

CHAIR: Minister, can I ask you to be relevant to the question?

Mr BAILEY: I hope that is of assistance to the member for Redlands.

Mr COSTIGAN: Minister, in relation to the Townsville eastern access rail corridor, the Commonwealth government has put \$150 million on the table for the project. As Minister for Ports, I am interested to hear or see where you have funding for a business case to deliver the project to stimulate the North Queensland economy. Where is the money for the business case in the papers?

Mr BAILEY: I thank the honourable member for his question. I draw his attention to my title: I am the Minister for Main Roads. Given that is a rail project, that comes under the Minister for Transport's responsibility. I would suggest that you ask that question of him in the next session. I do get a lot of letters sent to him that are my responsibilities, but I do give the hint that the titles of ministers tend to indicate their responsibilities.

CHAIR: Thank you, Minister. Do you have another question?

Mr COSTIGAN: I appreciate the response from the Minister for Ports. Director-General, would you like to add something to what the minister has just said?

Mr Scales: I thank the member for the question because I am the—

CHAIR: Director-General, we will have another session to answer questions specific to Transport, but if you have anything that is to do with this portfolio please feel free to add it.

Mr COSTIGAN: Minister, in relation to your portfolio of Main Roads, as I have said many times before and you should be acutely aware, the port of Mackay in many ways feeds the Bowen Basin. Where is there a line item in terms of funding for the Walkerston bypass on the Peak Downs Highway?

Mr BAILEY: I thank the honourable member for the question. I was very happy to be in Mackay this week where we are spending \$1.2 billion in funding on infrastructure and roadways in the Mackay-Whitsunday area. That includes, for instance, the Vines Creek Bridges which were not done under the Newman-Nicholls government. We are getting there. In terms of the Walkerston bypass, I noticed in the last federal election campaign—perhaps the longest federal campaign we have ever seen—we saw a 100 per cent commitment from federal Labor to do the Walkerston bypass—

Mr COSTIGAN: We also saw commitments from the coalition.

Mr BAILEY: If you would let me answer the question—

CHAIR: Member for Whitsunday, stop interjecting and allow the minister to answer the question please.

Mr BAILEY: We saw a 100 per cent commitment from Bill Shorten and Labor to fund it from a federal point of view. We only saw a 50 per cent commitment from the federal coalition which was a long way short of federal Labor's offer. Now that the federal election is completed and we know who forms government, that is a matter for consideration into the future. I do note, member for Whitsunday, that the usual funding formula for roadways in Northern Australia under the Northern Australia Roads Program is an 80-20 formula. I would expect that if the federal LNP had any commitment to Northern Queensland they would fund the Walkerston bypass in exactly the same way that they fund the Northern Australia Roads Program, whether it is Flinders Highway, Landsborough Highway or a whole lot of different highways up there. Consistency is a very important issue in this regard. I think that is where this needs to go. The federal government should be stepping up to the plate and funding it just like they fund other roads in Northern Australia.

Mr POWELL: Minister, can you please detail—if you are looking for a reference, it is page 118 of Budget Paper No. 3—the selection process that has led to the appointment of a former high school principal and failed Labor state candidate as CEO of Gladstone Ports Corporation?

CHAIR: Can you rephrase that and leave the imputation out?

Mr POWELL: Minister, can you please detail the selection process that has led to the appointment of a former high school principal and a former Labor state candidate as CEO of Gladstone Ports Corporation?

Mr BAILEY: I thank the honourable member for his question. I am happy to outline for him the situation. On 25 November 2015 the Gladstone Ports Corporation sent invitations to eight Australian recruitment agencies to submit a proposal to assist in the recruitment of a CEO. Four agencies responded and were evaluated. Ferris Management Consultants was determined as the successful agency.

The HR committee conducted a full review of the CEO position description in mid-December 2015. On acceptance of the proposal, Ferris prepared the attached advertisement which was placed on seek.com.au on 21 December 2015 and in the print media—namely, the *Weekend Australian* and the Brisbane *Courier-Mail*—on Saturday, 16 January 2016. An applicant pool of 70 candidates was developed from responses to advertising and by way of direct contact with prospects.

Twelve candidates were identified as potential high-quality prospects following interviews and psychometric testing of these more prospective candidates by Ferris. Ferris is a recruitment agency independent of government. A short list of six high-calibre, well-qualified and experienced executives was agreed in consultation with the chairperson and director, Peter Corones AM. These shortlistees were interviewed on Thursday, 31 March 2016 and on Friday, 1 April 2016 by a panel comprising the chairperson of the Gladstone Ports Corporation, Mr Leo Zussino; the director of the Gladstone Ports Corporation, Peter Corones AM; another director of the Gladstone Ports Corporation, Peta Jamieson; the project's chief executive of the special projects unit, Department of State Development, David Edwards, whom I am sure you are familiar with; the chairperson of the Gladstone Coal Exporters Executive and chief executive of Jellinbah, Greg Chalmers; and the managing director and psychologist of Ferris Management Consultants, John Ferris. Tony Nunan, the managing director of QGC, was invited to join the panel, considering the importance of the LNG trade in Gladstone to the future commercial success of Gladstone Ports Corporation. Tony originally accepted the invitation to bring his experience and expertise. However, he was unable to join the panel on the arranged dates due to prior commitments.

At the conclusion of the interviews, the members of the panel conferred and ranked candidates. It was unanimously agreed that Peter O'Sullivan was the preferred candidate. Gladstone Ports Corporation wrote to shareholding ministers on 11 May 2016 to inform them of the selection process, preferred candidate and subsequent offer and to seek approval of the appointment. The response came back on 5 July 2016 from the shareholding ministers with written approval.

As you can see, that is a very rigorous process that was very broad and took in candidates from all over the country. It was independent from government. It had the key stakeholders involved, and I might add key stakeholders from right across the spectrum. It was a merit based appointment and I think it was a very strong appointment.

Mr POWELL: I have a supplementary. Was being a Labor candidate a selection criteria given that there are clear conflicts of interest between Leo Zussino and Tony Nunan regarding their links to the Labor Party when making this selection?

CHAIR: The minister has answered the question. Your question was—

Mr POWELL: It is a supplementary.

CHAIR: He answered. I rule that out of order. That is irrelevant. He went through the selection process.

Mr POWELL: He did not mention the selection criteria.

Mr BAILEY: I am happy to answer it. The answer is clearly no. Does he really suggest that that was a part of the selection process? It is a cheap shot.

Mr POWELL: Did Mr Zussino excuse himself from the process?

Mr BAILEY: I had nothing to do with this process whatsoever.

Mr POWELL: I did not say you did. I asked you did Mr Zussino excuse himself from the process given his conflict of interest?

Mr BAILEY: As I outlined before, he was a member of the panel. Having been a previous political candidate does not disqualify somebody. You seem to be grinding an old political axe here, but it does not disqualify a qualified person from applying for a job. This is a merit based selection. If you look at the people on the panel, there were six people on the panel. For you to zero in on one person out of six—

Mr POWELL: I think I suggested three, Minister.

Mr BAILEY:—and to suggest that that was somehow manipulated I think is unfair and partial and is a cheap shot.

CHAIR: Thank you, Minister. Member for Glass House, does that end that line of questioning?

Mr POWELL: Yes.

CHAIR: We will go to government questions. Minister, I refer to pages 30 and 31 of Budget Paper No. 3 and your response to question on notice No. 6. Can you please provide an update with respect to cruise ship berthing at the port of Cairns and the benefit for the local economy?

Mr BAILEY: I certainly can. I thank the member for the question and his interest in our ports, particularly his commitment to keeping our assets in public hands. I know that he is a passionate supporter of that and I work closely with him to achieve those ends.

The Palaszczuk government is committed to protecting the environment while building a strong and diverse economy, creating more jobs for Queenslanders. We recognise that the port of Cairns supports significant economic activity in North Queensland and have sought to provide certainty for future development of the port. Special consideration was provided for the Cairns Shipping Development Project in the Sustainable Ports Development Act 2015. Future development of the port must be consistent with our overall commitment to protect the Great Barrier Reef World Heritage area, as set out in the Reef 2050 Long-Term Sustainability Plan with capital dredge spoil to be beneficially re-used or disposed on land. That was a very clear commitment at the election. It is one we are absolutely keeping. We are absolutely committed to keeping our election promises and commitments.

The previous scope of the project involved 4.1 million cubic metres of dredge spoil at a cost of \$365 million. That just did not stack up environmentally or economically under the Campbell Newman-Tim Nicholls government. The revised scope of the project—which is around one million cubic metres of spoil and a cost of about \$120 million—represents a common-sense outcome. It is good for the environment and it makes economic sense. It shows that our framework for sustainable port development via the Sustainable Ports Development Act is working.

Ports North, as the proponent of the shipping development project, is progressing the revised environmental impact statement based on the recalibrated project scope. I take this opportunity to thank Ports North for their very good work in this regard; they are doing a terrific job. In the meantime, the fact that the Princess Cruises three Australian based ships have this year started docking at the Cairns Cruise Liner Terminal instead of anchoring at Yorkeys Knob is terrific news for Cairns and Cairns businesses, particularly in the CBD area. This breakthrough followed extensive simulation activities undertaken by Maritime Safety Queensland which demonstrated that the class of ships could safely pass through Cairns harbour without any dredging being undertaken. That is a fascinating piece of technology, I might add, which I have seen. It is very impressive and a credit to Transport and Main Roads to be on the cutting edge of technology and simulation. With 2,000 passengers arriving with

each ship, this is a fantastic outcome for tourism, economic development and jobs in Cairns which are much needed. I will ask the CEO of Ports North if he would come to the table to elaborate a little further on these recent developments.

Mr Boland: The city of Cairns has experienced significant growth in cruise ships berthing in the port of Cairns. Ship visits in 2016 are up more than 70 per cent compared to previous years, with further growth in 2017 to a record 59 scheduled visits. This is more than double the historical ship numbers into Cairns. Ports North continues to work with stakeholders in attracting a larger share of cruise ships into the Cairns market. Ports North is not only seeking to maximise utilisation of the existing asset but also continuing to pursue the development of the port of Cairns with the Cairns Shipping Development Project that will target megaships up to 300 metres.

Focus in the project on capturing the strong growth in these mid to large megaships means significant reduction in capital dredging volume, as outlined by the minister, from about four million cubic metres down to one million cubic metres, while still delivering mega cruise ship growth for Cairns. An additional 59 cruise ships by 2026 will be achieved through this project based on the continuation of home porting and the development work that is proposed in the port of Brisbane with the Brisbane Cruise Terminal. The project will also deliver improvements for the port training vessels and improved access for Defence vessels.

While Ports North is still undertaking considerable work in our EIS investigation of the reduced project scope, we are expecting the cost will be significantly reduced to \$120 million, or about a third of the original cost. The next stage of the project will have a rigorous review of all the environmental issues, potential impacts and management options associated with land based disposal options in order for the final EIS report to be submitted for consideration by the Queensland Coordinator-General.

Mrs MILLER: This is a question for the director-general. When you are on your travels out in my electorate, I was wondering if you could have a look at the off-ramps of the Ipswich Motorway, particularly at Redbank. You barrel down the motorway at 100 kilometres an hour, or less obviously—road safety issue—then you come down the off-ramp at Redbank and you hit a stop sign. Many people in my electorate, particularly in my suburb, are asking why we cannot have a 'turn left with care' or even a green left arrow there. I am wondering if you could look at that.

Secondly, when you come off the Ipswich Motorway at Gales towards Goodna, the speed limit goes from 80 to 60 to 70 to 60. My constituents have asked for some consistency in relation to those speed limits because you are going up and down, up and down, in a very short distance and it is starting to confuse people, particularly our new citizens in the area.

Mr Scales: I thank the member for the question. As members of the committee know, I like to get out and about and on the ground. I would be delighted to join her in her constituency and look at these problems firsthand.

CHAIR: It sounds like a very busy day or few days.

Mrs MILLER: I think he will need to bring a backpack.

Mr WHITING: This question is to the minister. Page 9 of the SDS refers also to improving access and amenity for recreational boating in Queensland, which is important in my electorate. I have the Dohles Rocks recreational boat ramp there, plus there is one at Burpengary East. It is a very important issue in my area. Could the minister update the committee on the work we are doing in improving access and amenity for recreational boating in Queensland?

Mr BAILEY: I thank the honourable member for his question. As members would be aware, Queensland has some of the most stunning waterways in Australia. It is obviously of little surprise to hear that one in every 19 Queenslanders is a boatie. That might be a statewide average because it is actually higher in many areas. As you would expect, in some areas the demand for boating infrastructure is very high.

Mr Costigan interjected.

Mr BAILEY: For example, in Townsville there are 23,381 registered vessels, which works out to be about one in 12. Gladstone has 47,544, or around one in 11. I will take the interjection from the member for Whitsunday, because Mackay has 9,428, or one in 10. As the popularity of boating and fishing continues to rise, it is important to provide facilities that will continue to meet this growing demand. That is why the Palaszczuk government has extended the Marine Infrastructure Fund, committing \$15 million a year for two years, commencing July 2016, for delivery of new and upgraded recreational boating facilities. We are also delivering previously committed boating infrastructure projects funded for construction through to June 2016.

Earlier this year, boaties were encouraged to have their say about recreational boating facilities as part of a statewide community engagement process. The online survey was an opportunity for boaties to provide feedback about future boating infrastructure projects that are needed in their local area. This was a chance for local communities to help us identify areas for new or upgraded facilities across the state. I am pleased to advise the committee that hundreds of people took advantage of that opportunity. In fact I can announce here today that well over 1,100 individual responses to that survey were received. No-one knows the area as well as local boaties do. That is why we gave them the opportunity to discuss their recreational boating needs. That feedback is now being assessed and we will use it to inform the building program that our \$30 million boost under the Palaszczuk government has given to the Marine Infrastructure Fund.

It has been great working with members right up and down the state on boating issues. I mention here the member for Barron River. The Treasurer and member for Mulgrave is very interested. I know all of our members in Townsville are very engaged in this space. I also mention the members for Mackay, Mirani and Keppel, Brittany Lauga. They are all very involved in terms of working with their boating communities for better marine infrastructure outcomes.

Mr PEGG: Minister, I refer to page 3 of the SDS which refers to a strategic priority to maintain liveable regions and active cities. Can you please provide the committee with an update on the progress of the Scenic Lookout Upgrade Program?

Mr BAILEY: I thank the member for Stretton. We are extremely lucky in Queensland to have such a diverse and beautiful range of landscape and scenery—whether it is in North Queensland out to the west. We are very blessed when it comes to lookouts and the landscape for people who are having road trips and road experiences when they travel.

Thanks to the Palaszczuk government's Scenic Lookout Upgrade Program, sightseers will continue to be able to stop and take it all in from safe and attractive locations across the state. In November 2015, the Palaszczuk government asked local councils to submit proposals to upgrade existing lookouts on their road network as part of the program. The fund was set up to encourage tourism and return tourism in Queensland, especially in regional areas, by improving safety, accessibility and amenity on our road network.

In April 2016 just over \$3.2 million was allocated to some 28 scenic lookout sites in 25 council areas that were approved to be improved as a result of this much needed funding boost. I have a map here which I would like to table which gives a very good indication of a fantastic statewide spread of our projects right across Queensland.

CHAIR: We just need to see that and seek leave.

Mr BAILEY: We are working very strongly with local governments there. A good example of this is that I visited the Kuranda Range road lookout with the member for Barron River early last year. It is hard to beat that spectacular view out over Far North Queensland but the pull-off area had not really had anything done to it for a long time.

CHAIR: Minister, can I stop you for a minute. Is leave granted to table that document? Leave is granted. Continue on, please, Minister.

Mr BAILEY: Sorry. It is an absolutely spectacular view, but it was an area that was functional but neglected. It was not a great tourism experience. It was a really good example of the notion that if we want tourists to keep coming back to our great state we have to give them fantastic quality experiences. I am very glad to see that the Kuranda Range road is a successful project. We want people to be going back to their countries from their trips to Queensland and talking up and being absolutely wowed by Queensland.

The funding focuses on existing formal scenic lookout facilities on both state controlled and local government road networks. It will contribute to a range of improvements, including new platforms and weather shelters as well as fencing upgrades and new information signs. Nominations for sites on local government controlled roads were managed under established Regional Roads and Transport Groups processes, as I outlined earlier—that cooperative process with local government is a very good process, using local knowledge and skill—and it required RRTG endorsement to progress. It was localised decision-making there for good outcomes. We are very happy to partner with local government to achieve them.

Funding of sites on local government controlled roads is on a 50-50 state-local government basis, while upgrades on state roads receive 100 per cent state funding. Obviously, Queensland is one of the most beautiful places in the world. This funding will help us to make sure we have the infrastructure to show off the natural beauty that sets Queensland apart and give tourists a reason to talk up our state, leading to more tourists in the future to create more jobs for the future.

CHAIR: Recently the member for Murrumba and I were fortunate to turn the first sod of the Boundary Road-Bruce Highway interchange upgrade. Minister, could you provide an update on that project?

Mr BAILEY: I am very pleased to advise the committee that works to construct the new Boundary Road interchange with the Bruce Highway at Narangba started in May this year and are progressing well. The existing Boundary Road interchange was constructed almost 40 years ago and currently does experience congestion in peak motoring periods. With growing urban and industrial development in the surrounding areas, the interchange has been placed under increased traffic demands.

The upgrade incorporates a new six-lane bridge over the Bruce Highway, with dedicated improved-flow on-ramps and extended off-ramps to improve safety for motorists entering and exiting the highway. A fully dedicated shared pathway will be provided across the bridge to improve safety for cyclists and pedestrians. It is particularly pleasing to see how we integrate cycling infrastructure and infrastructure for vulnerable road users as part of major upgrades. It makes sense and it should happen always, in my view.

Following the award of the construction contract in March 2016, service relocations are continuing. The Department of Transport and Main Roads contractor is undertaking initial construction activities involving clearing at the site and constructing site access routes for construction vehicles and machinery. To ensure safety for both workers and motorists through the changed traffic conditions, the speed limit on the Bruce Highway has been reduced to 80 kilometres per hour through the project zone. Construction is scheduled to take approximately two years, with the new interchange anticipated to be completed by mid-2018, weather and construction conditions permitting.

This is another example of a very strong infrastructure outcome. It is a partnership between the Palaszczuk government and the Australian government. Again, it is funded on the appropriate 80-20 funding split. I again call on the Turnbull federal government to treat the M1 to the Gold Coast in the same way they treat the Bruce Highway so that Gold Coast residents can benefit in the same way as Sunshine Coast residents. I look forward to joining the delegation to Canberra to talk to the federal government about why the M1 should get a fair go, just like it gets a fair go just across the border—the same road—in New South Wales.

Mr WHITING: I thank the minister for being the first minister to secure state funding for Boundary Road and the Rothwell roundabout. I refer to page 21 of the SDS. Could you provide the committee with an update on that project?

Mr BAILEY: I absolutely pay tribute to the member's dogged pursuit of a solution at the Rothwell roundabout, soon to become an intersection. The short version of this, I guess, is that soon after I became the minister we saw the federal government withdraw funding altogether from the Rothwell roundabout. This was regrettable because, clearly, the increased traffic volume on to that intersection was going to be as a result of the Moreton Bay Rail Link. I made representations on behalf of the state government, the constituents of Murrumba and Redcliffe—I acknowledge the role of the member for Redcliffe in this regard—and many people in the Moreton Bay region, being a key intersection, that that was an unfair decision. We lobbied hard on it. The federal government came back with 50 per cent of the funding—they still pocketed half of it—and it was left to the Palaszczuk government to fill the breach to get this project going.

Because the Moreton Bay Rail Link is a key piece of infrastructure, this project should have been completed before the start of the rail line but, because of the inaction of the previous Tim Nicholls-Campbell Newman government, it was not. It is as simple as that. They did nothing about it. They dithered and did not get it done. We needed to get it done, to get it up and running as soon as possible. I pay tribute to the advocacy of the members for Murrumba and Redcliffe, who have been strong advocates for getting the infrastructure in as quickly as possible in order to limit the disjuncture of timing between the Moreton Bay Rail Link and this intersection upgrade. I add: the decision for the Moreton Bay Rail Link was made in 2010. It was no surprise to the Newman government. The decision was made two years before they were elected, yet they still could not get the funding for the Rothwell roundabout right.

The new signalised intersection will improve the flow of traffic by increasing the capacity and efficiency for motorists. Importantly, it will also allow safe access to the Rothwell station precinct once it is complete. The upgrade will bring many key benefits to local residents and those travelling through the wider region including increased safety for road users and local residents, designated lanes for cyclists—I am always very pleased to see that—and paths and signalised crossings for pedestrians.

The upgrade will cost around \$37.5 million and is only going ahead now because the Palaszczuk government stumped up the extra money. I also acknowledge the role of the Moreton Bay Regional Council, who have partnered by contributing \$3.2 million in a similar funding formula to that used for the Moreton Bay Rail Link. I thank Mayor Allan Sutherland for his contribution and his partnership. At no stage did he waver on that. We are very happy to work with them. I again thank the members involved for their strong advocacy on behalf of the community. This will be a great upgrade for residents of the Moreton Bay area.

CHAIR: We will now turn to non-government questions.

Mr POWELL: Can I please call forward the CEO of Gladstone Ports Corporation. Mr O'Sullivan, why has the delivery of pilotage services at your port deteriorated to the point where trade is being adversely affected and there are complaints from prominent port users?

Mr O'Sullivan: The port at the moment is undertaking a review of our full port services, including pilotage services in the port. That review has just commenced and has involved agents, port users, the pilots and MSQ. We anticipate that the first findings of that review will come out in approximately two weeks, at which stage we will be in a position to further understand the full impacts of pilotage in the port.

Mr POWELL: And the hope is that out of that review there will be some recommendations to improve it?

Mr O'Sullivan: The terms of reference for that review indicate that they should set forth some improvement strategies to not just improve pilotage in the port but also look at ways to improve port capacity.

Mr POWELL: Minister, can you please confirm that at least one berth at Dalrymple-Hay Point ships are now being short-loaded?

Mr BAILEY: I would need to get some information and come back to the committee on that. I am not aware of the current situation, but I am happy to come back to the committee and report.

Mr POWELL: You will take that on notice?

Mr BAILEY: Yes, I will take it on notice.

Mr POWELL: If they are being short-loaded, could you please explain why?

Mr BAILEY: I am happy to find out. Obviously, with 20 ports across Queensland I am not aware of every situation minute by minute, but I am happy to take that on notice and come back to you.

Mr POWELL: Minister, my understanding is that Brisbane Marine Pilots have had a four-plus-four-year contract to provide pilotage services at the port of Brisbane which should conclude in 2017. Can you confirm that they have been given an extension to that contract, above and beyond their existing contract, through to 2020?

Mr BAILEY: I thank the honourable member for his question. Of course, he is referring to the Port of Brisbane, which is not part of the government owned portfolio. I would have to—

Mr POWELL: The Port of Brisbane is not, but the contract for pilot services at the Port of Brisbane is.

Mr BAILEY: I would have to take that on notice and report back to the committee.

CHAIR: Can I clarify the question to be taken on notice?

Mr POWELL: The question is: can the minister confirm that the Brisbane Marine Pilots contract, which was due to conclude in 2017, following a four-plus-four contract, has been extended through to 2020. Supplementary to that, if so, why was it not put to the market?

Mr BAILEY: I might ask the director-general to comment on that.

Mr Scales: My understanding is the same as the minister. That is, I think it is a matter for the port and the port is not under our jurisdiction.

Mr POWELL: Okay. Can you confirm that in preparing your answer to the question on notice? If that is accurate, I am happy to take that.

Mr Scales: Okay. At this point, can I answer a couple of questions that were taken on notice. In relation to black spots, I am happy to report that for 2016-17 there is \$37.4 million in the budget. The reason it is not in QTRIP is that it is now actually at a district level. Instead of being a line item, we split it up to where it is in the districts.

Regarding the question about other construction on page 128 of the Capital Statement, overall the TMR capital statement has increased from \$2.693 billion in 2015-16—that is Budget Paper No. 3—to \$3.133 billion in 2016-17. That is an increase of \$438.8 million. Budget Paper No. 3 continues to highlight our key infrastructure projects, but in doing so the individual districts have been allocated that money. Instead of a line item saying 'other', it is actually down in the districts' budget. The districts' budget has increased by \$754.5 million. We do not actually hold it on that statewide level now; it is actually in the district itself. Similarly, the black spot is now at a district level.

Mr POWELL: Yet there are still allocations under those line items including for future and out years. Are you saying that the reason they are there for future years but not this year is that they have not been allocated to the district level yet?

Mr Scales: On this year's capital program I am saying that it is at a district level.

Mr POWELL: But for future years it is still at the statewide level.

Mr Scales: For future years, if there is a line item there it is something that will be allocated to the districts as we allocate priorities across the areas that we control.

CHAIR: Are there any other answers to questions taken on notice?

Mr BAILEY: On the matter that we took on notice in terms of the learner log book, there have been 8,000 downloads of the app. There have been 68 completed log books since the launch on 25 May 2016. Obviously, 100 hours takes a while to complete. Various vendors were consulted. Some showed little interest in providing this service. I can inform you that the RACQ was specifically approached to ascertain their interest in partnering with the development of the app as they already, as you outlined, have an existing app. RACQ advised that their app was old and needed significant investment for which they did not have a priority at that time. We are currently in discussions with RACQ to allow electronic lodgement with their app. The current app providers do not have the complete functionality that this app has with regard to electronic lodgement. In short, there are features on this app that are not available on the RACQ app. That is another reason we proceeded with it. It has been a good investment.

Mr MOLHOEK: There was a recommendation from the transport committee regarding speed cameras, in response to the Audit Office review. At some point could you provide an update on what action your office has taken in regard to the recommendation of the committee?

Mr BAILEY: I am happy to do that.

Mr MOLHOEK: Could you take that on notice?

Mr BAILEY: We are running out of time here. There have been a number of improvements as a result of that. I will come back to you with the detail.

CHAIR: I believe we could schedule that in to a future committee meeting.

Mr BAILEY: I am happy to do that, member for Southport.

CHAIR: The time allocated for the consideration of the proposed expenditure for the areas of responsibility administered by the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply has expired.

Mr BAILEY: I would like to thank particularly all the staff and the public servants who have worked so hard. I thank the committee. I think the end of the estimates process is always welcome for a lot of people. It involves a lot of hard work and a lot of hours, including by my staff. I would like to thank everybody who has worked so hard for their efforts. It is a very important part of the democratic process, so I place that on the record and thank the committee.

CHAIR: Thank you, Minister. I remind you that the deadline for answers to questions taken on notice and clarifying material is 5 pm on Monday, 1 August 2016. On behalf of the committee I thank you, Minister, Director-General, officials and everyone else who has helped through this process. The committee will now adjourn and resume at 2 pm to examine the estimates for the Minister for Transport and the Commonwealth Games.

Proceedings suspended from 1.31 pm to 2.00 pm

ESTIMATES—TRANSPORTATION AND UTILITIES COMMITTEE—TRANSPORT AND COMMONWEALTH GAMES

In Attendance

Hon. SJ Hinchliffe, Minister for Transport and the Commonwealth Games

Mr E Stein, Chief of Staff

Department of Transport and Main Roads

Mr N Scales, Director-General

Queensland Rail Transit Authority

Ms H Gluer, Chief Executive Officer

Department of Tourism, Major Events, Small Business and the Commonwealth Games

Ms M Houghton, Director-General

Gold Coast 2018 Commonwealth Games Corporation

Mr M Peters, Chief Executive Officer

 **CHAIR:** I declare this hearing of the Transportation and Utilities Committee open. I acknowledge the traditional owners of the land on which this parliament stands. I am Shane King MP, the member for Kallangur and chair of this committee. Rob Molhoek MP, the member for Southport, is the deputy chair. The other committee members are: Jason Costigan MP, the member for Whitsunday; Matt McEachan MP, the member for Redlands; Duncan Pegg MP, the member for Stretton; and Chris Whiting MP, the member for Murrumba. The committee has also given leave for other members to participate in the hearing today. I welcome Andrew Powell MP, shadow minister for transport and main roads and the member for Glasshouse, and Jo-Ann Miller MP, the member for Bundamba.

In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Service website and to receivers throughout the parliamentary precinct. I ask that mobile phones or pagers be either switched off or to silent. I remind you that food and drink is not permitted in this chamber.

This afternoon the committee will examine the areas of responsibility of the Minister for Transport and the Commonwealth Games in the order outlined on the hearing program. The committee will now examine the proposed expenditure contained in the Appropriation Bill 2016 for the portfolio areas of the Minister for Transport and the Commonwealth Games. The committee will examine the minister's portfolio area of Transport from 2 pm to 4 pm and then examine the portfolio area of Commonwealth Games from 4.30 pm to 6 pm.

I remind those present today that these proceedings are similar to parliament and are subject to the standing rules and orders of the parliament. I also remind members of the public that under standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in the parliament apply here—I refer to standing orders 112 and 115—therefore, questions should be brief, relate to one issue and not contain lengthy or subjective preamble, argument or opinion. I intend to guide proceedings today so that relevant issues can be explored without imposing artificial time limits. 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 answer to a question should be finalised so that other issues can be examined.

On behalf of the committee I welcome the minister, officials and members of the public to the hearing. For the benefit of Hansard, if advisers are called to answer please state your name before speaking.

Before I start, the committee has an issue which was discussed over our break. Some of our questions on notice answers were released to the public before they were supposed to be, and I will be writing to everyone who received those to ask where they came from.

I now declare the proposed expenditure for the areas of responsibility administered by the Minister for Transport and the Commonwealth Games open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you care to make a brief opening statement? We as a committee have resolved that ministers may make an opening statement of up to five minutes over your portfolio areas.

Mr HINCHLIFFE: Thank you, Chair and committee members. I am pleased to bring to a close a positive two-week opportunity for the Palaszczuk government to explain its plans to Queensland. I am joined today by the directors-general of the departments and the CEOs of Queensland Rail and GOLDOC. I welcome questions from the committee and look forward to the chance to discuss the government's transport agenda and our preparations for the Gold Coast 2018 Commonwealth Games later today.

I am a big believer that transport policy is both an economic and a social policy area. Access to public transport infrastructure and services profoundly improves people's lives, providing mobility and delivering access to opportunities. The single largest delivery in my time as the Minister for Transport will be the rollout of the Palaszczuk government's Fairer Fares package. Fairer Fares means that 93 per cent of South-East Queensland public transport users will save money with cheaper fares. This relief package is the largest reform in a decade which will deliver real cost-of-living relief to many households.

It has also been a focus of mine to ensure that our transport network is built for the future. We know that we can plan for change because Labor has done it before. Labor has delivered stage 1 of the Gold Coast Light Rail and we are delivering stage 2 as well. We are delivering the duplication of the Gold Coast heavy rail line, which will significantly improve train capacity and reliability on that very important line. We are also delivering by progressing Cross River Rail. Cross River Rail is the Palaszczuk government's highest priority infrastructure project. Without Cross River Rail, by 2021 there will be no capacity to increase services during our busiest times and passengers will face overcrowding on platforms and trains.

Both of my portfolios are about how Queensland—and about how the south-east—sees itself not just now but also in 20 years time. For the Commonwealth Games we are on track to deliver a great event. We are on track, on time and on budget, and everyone from Borobi down is working tirelessly to see the Commonwealth Games be the best yet for Queensland to reap the benefits of the legacy. Getting transport policy right for the future of Queensland and ensuring a lasting benefit from the Commonwealth Games is my part in preparing for the economic future of Queensland. I look forward to questions from the members.

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

Mr POWELL: Thank you for your opening statements, Minister, but my first question is to your director-general. Director-General, can you please outline when the South-East Queensland rail network is expected to reach capacity—that is, when Cross River Rail is needed?

Mr Scales: I thank the member for Glass House for the question. The estimates that we have are in the Cross River Rail work that we have done. As the minister said in his opening statement, 2021 is when the network will reach capacity in the south-east corner, all other things being equal.

Mr POWELL: Director-General, can you please advise what patronage growth rate is assumed in that projection?

Mr Scales: In terms of just rail?

Mr POWELL: Yes.

Mr Scales: I do not have an exact percentage, but the exact percentage has been calculated based on the train paths that we have now and based on the signalling system that we have now. It means that we have no more train paths unless we do something by that point in time. I will give an exact figure through the chair, with the minister's leave, before we complete. Do you want a percentage figure, member for Glass House?

Mr POWELL: I might be able to answer it for you given some information, but let us keep going. Do you know what the current patronage growth rate is?

Mr Scales: Yes. It is in the SDS, and year on year it is a small percentage.

Mr POWELL: Would it be fair to say that the estimate as per the SDS for 2015-16 was 2.21 per cent?

Mr Scales: There or thereabouts.

Mr POWELL: That is probably the largest growth increase we have seen in at least five or six years, a number of years being negative growth.

Mr Scales: There will be a number of economic reasons for that.

Mr POWELL: I seek leave to table a graph—and I have copies for everyone—that confirms what the director-general has indeed said—that is, capacity is expected to be reached at 2021.

CHAIR: Where is this graph from?

Mr POWELL: This graph is from a document produced and co-authored by the director-general himself.

Mr Scales: I cannot remember co-authoring this, Chair.

Mr POWELL: Suffice it to say, the graph confirms what the director-general said and what the minister said in his opening statement, that patronage leads to a requirement for Cross River Rail from 2021.

CHAIR: Leave is granted.

Mr POWELL: Director-General, you will note that, in the notes below, to achieve that 2021 deadline requires an assumed upper value of 4.9 per cent cumulative annual growth. Given that the estimate for the last financial year was 2.21 at best, that seems rather heroic. Can you confirm this?

Mr Scales: Those are the estimates that we put together at that time. They also do not include what we will be doing on the fares package, and they also do not include what is happening in the general economy now. When these projections were made the economy had a specific trajectory. Now we have a different trajectory, so there are many variables involved.

Mr POWELL: I want to confirm that the current projections still lead you to the conclusion, even with ECTS and a number of other aspects, that Cross River Rail is required by 2021.

Mr Scales: All other things being equal, Chair.

Mr POWELL: Can I confirm, Minister, that you are comfortable that when these were prepared it was requiring a nearly five per cent annual growth rate in public transport patronage to achieve that? Are you confident that that can be achieved and therefore Cross River Rail will be required in 2021?

Mr HINCHLIFFE: I thank the member for his question. You will see through the documents you are referring to that it does chart that as high growth. We need to be prepared for high growth results, particularly in the context that we want to see increased growth in patronage. That is very much what our Fairer Fares package is all about. While I appreciate that under the LNP patronage fell by some two million trips per year, that also occurred in a situation where fares went up by 10 per cent and there were cuts to bus services. We want to change that. We are taking the service in a different direction, and that is why we need to be prepared for significantly increased patronage loads as they come forward. Is the member for Glass House suggesting that we should not be prepared and we should not be aiming to deal with the challenges that increased patronage would deliver to our rail network by 2021?

Mr POWELL: I am not questioning the need to be prepared but, given that these decisions and the business case for Cross River Rail have been premised on very large high-end growth rates, and given that, as the minister rightly pointed out, from 2009 there was negative growth through until 2013-14 and the minister—

CHAIR: Can you ask your question?

Mr POWELL: The minister and I agree as to why, and that was the Annastacia Palaszczuk 15 per cent fare increases—

CHAIR: Do you have an actual question?

Mr POWELL: No. I am pleased to hear that both the director-general and the minister are standing by their high growth rates and I look forward to those being achieved.

Mr Scales: All I have here is page 49. I do not have a reference for this document.

Mr POWELL: I am happy to provide that to you, Director-General.

Mr HINCHLIFFE: Is the member going to provide that now?

Mr POWELL: It is from an SEQ public transport infrastructure panel strategy review report.

CHAIR: Do you have the report number?

Mr POWELL: That is the title of it.

Mr Scales: What year was that produced, please?

Mr POWELL: 2013. Director-General, can you please advise which stations are currently suitable for nine-car trains?

Mr Scales: On the whole network?

Mr POWELL: On the South-East Queensland network.

Mr Scales: Of the 146 stations that we have, not all will be available for a nine-car set. I can give you a number, Chair, before the end of the meeting. I do not want to hazard a guess.

Mr POWELL: How many nine-car trains does Queensland Rail currently have?

Mr Scales: None, as far as I am aware.

Mr POWELL: How many are on order?

Mr Scales: We have 75 six-car sets on order; not nine-car sets.

Mr POWELL: What work needs to be done across the network at stations and the rolling stock to accommodate nine-car strains in the future?

Mr Scales: You are asking me to speculate. I am sorry, I cannot do that.

Mr POWELL: Minister, would you like to hazard a guess at what work will be required, according to the Cross River Rail business case, to achieve—

Mr WHITING: Point of order. Asking him to 'hazard a guess' is clearly in breach of the standing orders.

Mr POWELL: Minister, the Premier and Deputy Premier have failed to rule out a public transport levy to pay for Cross River Rail. Can you?

Mr HINCHLIFFE: I reiterate that all the projects that we see going forward in this space across the country will need to contemplate and understand the principles and alternatives in relation to value capture. In fact, a consequence of the Turnbull federal government requires all major project seeking infrastructure funding to assess value capture options as a condition for federal funding. This is set out in the Infrastructure Australia business case assessment framework published in January 2016, the Australian government's Principles for Innovative Financing published in March 2016, and the Smart Cities Plan of May 2016. In fact, section 2 of IA's business case assessment framework requires project proponents to demonstrate that user and beneficiary-pays options have been 'fully explored.' Clearly, that is another description of value sharing. It is clear that what we have done in relation to Fairer Fares demonstrates our position in relation to public transport fares. We want those to reduce. We are delivering a package that reduces public transport fares. While we are required and need to contemplate and look at the range of options and manners in which value capture needs to be contemplated in relation to major projects such as Cross River Rail, it is quite clear from our action, from our deeds, that something like the member just described would not be on our agenda. But we are obliged to look at and consider it as part of the business case in all value capture options.

Mr POWELL: Are you are ruling it out or not?

Mr HINCHLIFFE: My objective and my outcome is in relation to lowering fares, and that is what we are achieving with our Fairer Fares package that will come into place in January.

Mr POWELL: If you are not ruling it out, have you done modelling on the impact of a fare increase on your patronage growth figures?

Mr HINCHLIFFE: What we have done in relation to our Fairer Fares package is demonstrate our commitment to lowering fares and to increasing and driving an increase in patronage which brings with it significant benefits. Of course, we want the great challenge of the impact on the whole of our heavy rail network with the challenge of a single inner-city river crossing, and that hits us squarely in the face on the basis of the patronage and the slots that we have described in 2021. We want to significantly increase patronage in our public transport system, and that what is our Fairer Fares package is all about.

Mr POWELL: Moving forward, are you quite comfortable in ruling out a public transport fare increase to fund Cross River Rail?

Mr HINCHLIFFE: Our project is about ensuring that we increase the patronage on our public transport network. We have identified that fares and affordability are a challenge in that space, and that is why we made the very big decision to introduce our Fairer Fares package which delivers a significantly better outcome for transport users now and into the longer term. I do not think that, in contemplating the range of different issues that the federal government requires us to contemplate in relation to value capture for major projects such as Cross River Rail, we would contemplate the use of some sort of extra levy or increase in fares to deliver that. That is why we focused on ensuring a situation where, for instance, commuters in your electorate, Mr Powell, will see some \$1,000 a year benefit as a result of the Fairer Fares policy.

Mr POWELL: I will take that as a 'No'. Can the director-general detail what work has been done on the impact Cross River Rail will have during construction on rail freight paths through Brisbane, particularly the Exhibition line?

Mr Scales: For the benefit of the committee, this is on a 2013 basis. The business case for Cross River Rail was obviously completed by Building Queensland. Therefore, this graph might not relate to where we are in terms of the business case produced by BQ. As far as the impacts on the freight is concerned, that work when modelled would have been done by BQ as well in the business case.

Mr POWELL: Questions were put early on in estimates to the Deputy Premier and her staff regarding this and we were referred to the Minister for Transport and his staff and now we have been referred back to the Deputy Premier and Building Queensland; is that correct?

Mr Scales: I am saying that the work was done by Building Queensland as part of the government's policy.

Mr POWELL: Can someone please decide who has done the work. It would certainly assist us in asking—

CHAIR: The director-general is answering the question you asked.

Mr Scales: Anything over \$100 million is referred to Building Queensland.

Mr POWELL: Clearly someone has misled the estimates hearing.

CHAIR: The director-general is not able to answer that question.

Mr POWELL: I not suggesting the director-general has, but the Deputy Premier when asked several questions along these lines—

CHAIR: You can surmise what you will out of it.

Mr POWELL: I think you have surmised, too, Chair.

CHAIR: I have not surmised anything.

Mr POWELL: We were directed to ask these questions of the Department of Transport and Main Roads and now that we are we are being redirected back to Building Queensland.

CHAIR: Do you have another question?

Mr POWELL: Thank you, I will leave it for now.

CHAIR: With reference to Budget Paper No. 5, SDS page 13, I will not ask for percentages but can you inform us of the patronage figures for the South-East Queensland public transport network?

Mr HINCHLIFFE: Public transport patronage in the TransLink network is expected to rise by an estimated 3.05 million trips in the 2016-17 financial year. An estimated total of 180.16 million trips in 2015-16 is expected to grow to 183.21 million trips in 2016-17. The government's Fairer Fares package commencing from the beginning of 2017 is estimated to deliver 2.18 million of those new trips, with more people getting on board public transport. Buses continue to carry the most passengers, with an estimated 114.43 million passenger trips in 2015-16, which is 63.5 per cent of the overall SEQ public transport patronage. This is expected to be 1.38 million below the target estimate due to the historic low fuel prices which have encouraged some customers back to their cars and also, notably, the success of the light rail on the Gold Coast which has seen more light rail trips and correspondingly fewer Gold Coast bus trips since it was budgeted. Queensland Rail city network trains carry about 28 per cent of SEQ passengers, with an estimated 51.23 million passenger trips taken in 2015-16, 0.13 million above the target patronage estimate.

A large number of customers continue to take advantage of the improved 15 Turn Up and Go off-peak train frequency on the Shorncliffe, Ferny Grove, Ipswich to Darra, Cleveland to Cannon Hill and Caboolture to Northgate lines. Customers can simply turn up and go on these lines knowing that the next train is never too far away. G-link trams on the Gold Coast are expected to make 7.56 million passenger trips in 2015-16. This is expected to be 0.75 million above the target estimate due to the 'G' operating for a full year as opposed to the 11 months of the previous year when it was opened on 22 July, 2014. Patronage on City Cat, City Ferry, Cross River Ferry and Southern Moreton Bay Island services are expected to be 6.93 million in 2015-16, which is 0.91 million above the target estimate. This rise is attributed to return to normal service following some of the timetable changes to avoid river wash during the Riverwalk construction and ferry terminal closures on the Brisbane River. The state government continues to deliver quality front-line public transport services which we want to see help grow patronage. Clearly, our commitment to Fairer Fares is a part of that story as well.

Mr PEGG: With reference to Budget Paper No. 4, what funding has been allocated to the Cross River Rail?

Mr HINCHLIFFE: On 14 June 2016, as part of the state budget, the Queensland government allocated \$50 million for 2016-17 under the State Infrastructure Fund to support establishment of the Cross River Rail Delivery Authority to progress activities including: environmental impact approvals; negotiate and secure a funding agreement for this project, including consideration of value-sharing opportunities; and prepare the project to take to market. Longer term, the delivery authority will lead the development, procurement and delivery of the project with a mandate to achieve wider economic and social outcomes.

Shortly, the Queensland government will commence a recruitment process to appoint a chief executive officer and introduce legislation to the Queensland parliament. Once the legislation is passed, the delivery authority would operate as an independent statutory body, supported by an independent expert board. Examples from around the world demonstrate delivery authorities support wider economic and social outcomes, enabling cooperation from multiple funding and delivery partners including the private sector.

This model provides opportunity for every level of government to have a seat at the table, drive collaboration, innovation and coordination to maximise Cross River Rail's transport, land use, economic and social benefits. The delivery authority's immediate priority would be to work with all levels of government to secure project funding. The business case indicates that the project is expected to have a capital cost of \$5.4 billion and that this investment will return \$1.21 for every dollar spent. On the basis of this strong economic return and the project's capacity to transform South-East Queensland, on 27 June 2016 as part of the allocation made to the State Infrastructure Fund in the state budget, the Queensland government made a further in-principle commitment of \$800 million to deliver Cross River Rail, subject to matching funding being delivered by the federal government. This brings the total funding commitment at the moment by the Queensland government to \$850 million.

Mrs MILLER: In relation to bus services, reform of bus services is well and truly overdue. In all bus regions including Ipswich and Brisbane, and certainly in my area, people are sick of buses being cancelled or not turning up on time. What is being done to sort out the poor service, particularly in the Ripley area, the waste, poor reliability and the inefficiency of the Brisbane and Ipswich bus services? I note that many of my constituents catch both. They catch buses in Ipswich, go to the train station, get off the train and then catch another lot of buses and it is absolutely shocking.

Mr HINCHLIFFE: Clearly, in the broader network of our public transport system, we need to make sure that all modes are as reliable as one another. We need to ensure that we manage the way in which all modes share the workload of our public transport system. In my advice in reply to a question asked earlier, I noted the significant load that buses carry in our network and our system. In the longer term, it is important that we design a system that manages that better than it is managed now. We need a system which manages and supports the high frequency services that we want to run on our heavy rail corridors—and I note that this does not apply in the member's part of the world but I say this for the benefit of the committee—and our busways. Those heavy, more frequent services need to be run on those and we need to ensure that our bus network complements and supports that more effectively and efficiently.

I appreciate that there are challenges that we continue to experience with the transition that we have been seeing since the creation of the TransLink network and the creation of integrated ticketing to a more seamless network where we deliver the sorts of services that people want to have right across our network and the way they are connected up. In relation to some of the performance issues and

questions in relation to the specific concerns that you are raising from the western corridor's point of view, I might turn to the director-general, who has very particular experience in this area not only here in South-East Queensland but also internationally.

Mr Scales: Thank you, Minister. One of the things we have managed to introduce is the TransLink app. There have been 500,000 downloads. Customers, your constituents in particular, would be able to see exactly when the next bus is arriving to within plus or minus 50 feet. That does help.

The second thing that I would say is that we experience congestion. The point that you make, member for Bundamba, about buses not turning up could be related to congestion. If it is reliability, though, through the minister and through the chair, I would like to take it off line. When we are looking at the road network in your area I can certainly take up the issue of the public transport services as well.

Mrs MILLER: Let us try to catch a bus, Director-General.

Mr Scales: Yes, we can do that, yes.

Mr WHITING: With reference to page 93 of Budget Paper No. 4, 'Budget measures', can the minister please inform the committee of the measures taken by the Queensland government to support primary producers?

Mr HINCHLIFFE: As the Minister for Transport I want to ensure that our transport networks deliver the best outcomes for the movement of people and goods in Queensland. It is very important that we do that through improving efficiency and enhancing competitiveness. It is important that our transport network is not just about South-East Queensland, as I was talking about earlier in this—

Mr COSTIGAN: Hear, hear!

Mr HINCHLIFFE: Thank you for your acknowledgement of that, Mr Costigan. None of us would want to see the way that we price heavy vehicles in Queensland disadvantage businesses in this state relative to other states. That is why the Palaszczuk government acted to ensure that Queensland primary producers and related businesses who occasionally move their own goods by road to port or to market were not hit with vehicle registration costs in excess of what their counterparts in New South Wales, Victoria and South Australia might be receiving. In retaining concessions for heavy vehicle registration, the government saved primary producers moving their livestock or other produce by truck to market as much as \$1,200 a year per truck, based on the truck that they might use.

The government understands that many rural properties are currently impacted by drought, which is why we acted to lower transport costs for primary producers who are doing it tough. The estimated cost to Queensland in providing a concession on the regulatory component is approximately \$4.9 million but, in supporting our primary producers, we are focused on supply chain efficiency, and freight on rail also plays a very important role in delivering goods to market both locally and internationally.

The \$32.4 million Toowoomba range clearance upgrade project will increase train vehicle clearances on the Toowoomba and Little Liverpool ranges. The project involves lowering tunnel floors through 11 tunnels, nine of which are heritage listed, and span a total of 1.5 kilometres in length. This project will support the regional freight of agricultural products and enable the transport of nine-foot, six-inch high-cube freight shipping containers—my apologies, Mr Chair, for the imperial speak, but that is the way they talk about shipping containers—that are increasingly used to export goods and allow them to move through those tunnels across the range. This change will mean that rail is a more attractive and a more viable option for those industries that wish to use large containers to get their goods to the Port of Brisbane for export.

The tender for the detailed design will be released shortly, with a subsequent tender for construction being released once the design is finalised. The works are anticipated to take about 18 months to complete from the release of the first tender. The project will be managed by Queensland Rail.

On a third matter that we are delivering for regional Queensland and primary producers, I was pleased to join with the Treasurer in announcing the Oakey beef project. It is a \$2.5 million upgrade of rail sidings on the western line and a reopening of part of an old branch line that will support the expansion of Oakey Beef Exports and will see as many as 4,300 jobs and deliver approximately \$1.3 billion—\$1.3 billion—in economic activity within the regions. The project will facilitate rail cattle movements from South-West Queensland to Oakey, which is critical to allow Oakey Beef Exports to undertake a multimillion dollar plant expansion, and it doubles output. After announcing this project, I asked Queensland Rail to start planning activities immediately and begin to work to upgrade the infrastructure within six months.

Another important initiative in the rail freight space that will deliver benefits to Queensland's livestock and agricultural sector is the work being undertaken on the forward round of the livestock and regional freight transport services contract. The work being undertaken in this space by my department and with the support of the Australian Logistics Council and AgForce will deliver a more diverse rail freight market for Queensland's primary producers. Stakeholder consultation is complete, both with market entrants and with the industry advisory group set up to inform the process. Following discussions with stakeholders, the RFTSC is being renamed the Regional Rail Freight Transport Services Contract.

Mr POWELL: That sounds so much better.

Mr HINCHLIFFE: It is a slightly longer abbreviation. The Livestock Transport Services Contract is being renamed the Cattle Train Transport Services Contract to reflect the reality of it.

In addition to the name changes, the response period is now longer than initially proposed. The RFT will include an element of data in it. I look forward to further progress in this area of activity within the department in the year ahead.

CHAIR: Thank you, Minister. We will now return to non-government questions. I call the member for Glass House.

Mr POWELL: Thank you, Mr Chair. I draw the minister and the director-general to the reference to page 13 of the SDS and to the New Generation Rollingstock. Director-General, could you please confirm if changes to the fit-out of the New Generation Rollingstock trains have been made or are flagged to be made, since they have arrived for testing?

Mr Scales: I thank the member for Glass House for the question. Obviously, we have a \$4.1 billion project, with 75 new car sets being built in Savli in India. We have three vehicles here so far. The fourth one is on the water. It will be here in approximately two weeks. They are subject to a lot of static testing. Basically, we are making sure that, statically, without running them on the railway, the vehicles themselves will be fit for purpose. To my knowledge thus far, we have not made any modifications at all to either the structure or the operating systems on each train.

Mr POWELL: Director-General, have you met with the Rail, Tram and Bus Union and have they raised requests for modifications to the NGR?

Mr Scales: I thank the member for the question. During the normal course of things, there was a cab committee. I met the cab committee a number of times in the mock-up where they made various suggestions on things like blinds and the position of various kit within the cabin area itself, which is quite a normal process in my experience, and we made certain modifications to the cab itself. Yes, I have met the RTBU on a number of occasions.

Mr POWELL: That is in the cab itself—the car part of the train?

Mr Scales: There was also a mock-up of the train itself and we went through that as well, just to make sure that what we are presenting to the people of Queensland meets our requirements. There is a mock-up of the cab and there is also a mock-up of one of the train carriages.

Mr POWELL: Director-General, in 2014-15 and in 2015-16 the total cost of the NGR was quoted in QTRIP as being \$4.04 billion, but this year we are seeing it rise to \$4.118 billion. What can you attribute that increase to?

Mr Scales: It could be an accounting treatment. As I said in one of the earlier sessions, both the New Generation Rollingstock and the Toowoomba Second Range Crossing are being treated differently as far as the accounting treatment is concerned and how they are dealt with within QTRIP. It could be an accounting issue.

Mr POWELL: Could be?

Mr Scales: Could be.

Mr POWELL: Can I seek some clarification as to whether it is, please?

Mr Scales: Yes, you can. I will get back before the session has ended. It could be just an indexation issue but, largely, the figure that we caught is \$4.1 billion.

CHAIR: I am just asking the minister if he—

Mr POWELL: We are talking about \$100 million—

Mr HINCHLIFFE: My understanding is that it is an accounting treatment, but we will just double-check that and make sure that it is so we are clear about it.

Mr POWELL: Thank you. Staying on page 13 of the SDS but moving to the government's review of taxi, limousine and rideshare services in Queensland, I also note the media reports in April that the Premier wanted the review completed by July—in fact, brought forward by July. Is that still the case? When will that review be made public?

Mr HINCHLIFFE: Yes, it is the case. I understand that, as was requested and as was made clear to the review team, the final OPT review will be handed to the government by the end of July. As you will note from any reference to a calendar, that is Sunday. That meets with the Premier's direction—that the review be brought forward and completed by the end of July. I can assure you that I am intending to release the report following consideration by government.

Mr POWELL: Have you received a copy of the report to date?

Mr HINCHLIFFE: No.

Mr POWELL: Will there be consultation with key stakeholders before that review report is publicly released?

Mr HINCHLIFFE: As part of the government's consideration of the final report we will have consultation with key stakeholders.

Mr POWELL: Will the government be publishing its response to the report at the time the report is published?

Mr HINCHLIFFE: That is my intention. I want to have the government's response released at the same time as releasing the OPT final report.

Mr POWELL: So between today, Thursday, 28 July, and Sunday, 30 July, you will receive the report, prepare the government's response, consult with stakeholders and release it all at the same time?

Mr HINCHLIFFE: No, no.

CHAIR: That is more than one question.

Mr POWELL: No, it is just one question.

CHAIR: There seemed to be a few.

Mr HINCHLIFFE: For Mr Powell's benefit, I made it clear that the government would be receiving the final report. I did not say that the final report would be released—

Mr POWELL: I understood that. Thank you for the clarification.

Mr HINCHLIFFE:—by the end of July. The government will receive the final report and would then consider it and develop the government's response. Then it is only appropriate that the OPT final report—or the white paper, as the chair of the task force likes to refer to it—will be released at the same time as the government's response to the committee.

Mr POWELL: Just to clarify, the report when you receive it will not be released publicly. Can you therefore clarify when the report and the government's response will be released to the public?

Mr HINCHLIFFE: Once the government has finished finalising its position, which includes the opportunity for some engagement with key stakeholders.

Mr POWELL: Some indication of time frame, Minister?

Mr HINCHLIFFE: Very soon. It is something that we want to be doing in a prompt way. We know that there are significant expectations out there in the community. This is part of the reason the Premier expressed her desire to the OPT review for the matter to be brought forward and for the final review to come to government by the end of July. This still leaves us in the framework where the broader expectation had been about an outcome in the context of August this year. I think that works for us.

Let us be absolutely clear here. All that the former government could muster on this issue was a letter in 2014. That is all. The former government issued a cease-and-desist notice and then it did nothing else. The most that has happened from the opposition's point of view since then, since we have been in government, is that, when we were taking some action in relation to highlighting and reiterating the way in which the current law and future laws could be enforced, they were a party to an amendment that caused buses, charter buses and Comcars to become illegal for 24 hours. I think we need to be clear. We are acting thoughtfully and progressively on dealing with a very difficult situation. What we had seen from Mr Powell's predecessor, the current shadow Treasurer—

Mr POWELL: Minister, we are straying away from the question.

Mr HINCHLIFFE:—but previously the minister for transport and the opposition spokesman for transport, was a cease-and-desist letter in 2014.

CHAIR: There is a lot of interest in this particular topic.

Mr POWELL: There is, but it is interest in the report, not in a history lesson.

Mr HINCHLIFFE: We all enjoy a bit of a history lesson from time to time, don't we?

CHAIR: I think the interest in this particular subject needs some fleshing out. We all have very strong opinions about this topic. Are you finished, Minister?

Mr HINCHLIFFE: I am.

Mr POWELL: Why was the effort made to bring it forward if you are not going to release it?

Mr HINCHLIFFE: This allows for the government to properly consider the report, to properly respond and engage with key stakeholders to deliver an outcome to the community. That is what is expected.

Mr POWELL: Could you not have done that had it been delivered when it was anticipated to be delivered?

Mr HINCHLIFFE: If the delivery time frame had remained in August for the final white paper, that would have meant there would have been the need for government consideration and decision-making that would go beyond that. Bringing it forward has brought forward the whole of the certainty that the community and that industry is looking for in relation to these matters.

Mr POWELL: But they shouldn't expect it before Sunday and probably not for a number of weeks or months yet.

CHAIR: I think the minister has answered the question. He said in due course, I believe.

Mr POWELL: Can I please request the CEO of Queensland Rail come forward. Referring to Budget Paper No. 3 page 122 and the Moreton Bay Rail Link, I refer to Queensland Audit Office Report No. 8: 2015-16, *Transport infrastructure projects*. In that report the Auditor-General makes no reference to concerns raised by Queensland Rail in regards to the MBRL signalling system. My question is whether to your knowledge Queensland Rail made its concerns with the signalling system known to the Auditor-General while he was undertaking his audit?

Ms Gluer: Thank you very much for the question. If I could just ask the chair for guidance on this because that actually relates to an independent review that the minister has requested and that review is currently being undertaken. I would appreciate some guidance in answering that from the chair if that is possible. I am more than happy to answer, I just want to check because of the independent review that is ongoing.

CHAIR: I do not want to influence the outcome potentially of the independent review. Do you have another way to ask that question?

Mr POWELL: I do take on board the CEO's comment that she is happy to answer this question. It is a question of, quite simply, if there were concerns why weren't they raised with the Auditor-General.

CHAIR: We do not know the terms of reference.

Mr POWELL: They are public, but again if there were concerns why weren't they raised with the Auditor-General? The Auditor-General was undertaking a very specific review of projects, including MBRL. If there were concerns why weren't they raised, or if they were raised why were they not subsequently reported on?

CHAIR: Can we leave that question for now, please?

Mr POWELL: Minister, what is the timing on that independent review then?

Mr HINCHLIFFE: I have been advised by the Department of the Premier and Cabinet that the audit report is undergoing some additional work and as such it will not be presented to me until next month. I can table a letter from the Department of the Premier and Cabinet about that for the information of the committee.

Mr POWELL: I would like to see it. I will leave that line of questioning and come back to it.

CHAIR: Leave is granted for the document to be tabled.

Mr WHITING: With reference to Budget Paper No. 5 in the SDS, page 21, can the minister please inform the committee of the investment in transport infrastructure in the Gold Coast region in preparation for the Gold Coast 2018 Commonwealth Games?

Mr HINCHLIFFE: Through you, Chair, thank you to Mr Whiting for his question. It is indeed an exciting time to be on the Gold Coast. I am glad to say, both in my capacity as Minister for Transport and Minister for the Commonwealth Games, that I get down to the Gold Coast very frequently. Stage 2 of the Gold Coast Light Rail is a significant investment in public transport infrastructure ahead of the 2018 Commonwealth Games. I am pleased to say it is on track to be delivered on time for the Games. Early works by the successful contractor, CPB Contractors, commenced on 18 April 2016 and major construction is expected to commence in the second half of the year. GoldLinQ has committed to have stage 2 fully operational in early 2018, as I say, in time for the 2018 Commonwealth Games in April. This \$420 million project will generate some 1,000 jobs during construction, providing an immediate boost to the construction industry and long-term benefits to the tourism industry as well.

This government is focused on planning and delivering transport operations and infrastructure for the Commonwealth Games in partnership with the Gold Coast 2018 Games Corporation and the City of Gold Coast. The host city contract between the Commonwealth Games Federation and the state commits the government to delivering infrastructure and services identified in the Gold Coast 2018 candidate city file, which is more generally known as the bid book. This includes a package of transport system improvements that will provide a long-term legacy for the Gold Coast and South-East Queensland. The CGF—the Commonwealth Games Federation—has mandated planning phases and time frames for Games preparations. Preparations for the Commonwealth Games transport infrastructure is progressing with a \$160.7 million program of works to upgrade roads on the Gold Coast commencing in 2015-16. Projects included the \$38 million widening from four to six lanes between North Street and Vespa Crescent on the Southport-Burleigh Road; the \$30 million upgrading of the interchange at Smith Street and Olsen Street and improvements on Smith Street east of the Pacific Motorway; and the \$21 million widening from four to six lanes between Fremar Street and Rudd Street on the Southport-Burleigh Road.

Mr PEGG: Minister, with reference to Budget Paper No. 3, Capital Statement page 7, can you please inform the committee of investment being made in signalling technology to enhance the South-East Queensland Citytrain network?

Mr HINCHLIFFE: It is no secret that the Queensland government believes in the importance of innovation. As I recently said in the House, as Minister for Transport I am charged with revitalising and reforming our rail services and making public transport more accessible, which is why I was excited to announce recently that this year's budget included an investment of some \$634 million in our rail network via the installation of a new innovative train signalling system called the European Train Control System, or ETCS for short. This \$634 million investment in our rail infrastructure will be rolled out between Milton and Northgate stations across the network over the next eight years creating the opportunity for more than 250 jobs throughout the life of the project. As members would be aware, our public transport network capacity needs to grow and expand to ensure that it is able to safely meet the ever-increasing demand in the years and decades to come. I am advised that it is predicted that demand on our rail network will double by 2026 and triple by 2036 so steps need to be taken now to ensure that the system safely keeps up with this ever-growing need.

By virtue of the design of our network, particularly in the inner city, every train line on our network converges and runs through our four main inner city stations: Roma Street, Central, Bowen Hills and Fortitude Valley. Once commissioned, the new ETCS state-of-the-art technology will completely modernise the inner city network, boosting inner city rail capacity by an estimated 20 per cent, safely allowing trains to move more quickly through this bottleneck. This technology will allow Queensland Rail to run an extra eight trains—four in each direction—each hour and allow an additional 12,000 people to travel through our CBD each peak period.

I am advised that the implementation, which will be managed by Queensland Rail, will involve the installation of both trackside and onboard equipment. In addition to boosting capacity on the network, the new technology will enhance Queensland Rail's existing safety systems and will significantly reduce safety risks associated with signals passed at danger and overspeeding for trains that are fitted with the onboard equipment. This \$634 million investment in an ETCS between Milton and Northgate stations will complement the strong work already underway at Queensland Rail with the installation of the ETCS system on the north coast line between Caboolture and Gympie North. I am advised that Queensland Rail is currently in the tender process for these works and once completed it will be a valued asset on the popular north coast line. The implementation of the ETCS is just the first step in ensuring that our rail network is equipped to handle the increase in demand in the years and decades to come.

However, more does need to be done. As my colleagues and I have previously indicated, Cross River Rail is Infrastructure Australia's, as well as Queensland's, No. 1 priority initiative for Queensland. Cross River Rail is clearly, as I say, the Queensland government's No. 1 priority. I, like many members, welcome the \$50 million investment that I highlighted earlier in the recent budget for Cross River Rail. That is a big part of dealing with this congestion and issues around how we manage that inner city congestion on our rail network as well. ETCS is a great starting point and a great initiative of the government.

Mrs MILLER: Minister, the last train to Ipswich from the Valley on a Saturday leaves at 12.58 am. Some people have to leave the live shows early to be able to catch a train and obviously they get very upset about it. The next train leaves at 5.30 am in the morning. They find it very difficult to catch a taxi. In fact, most taxidriviers do not want to bring them to Ipswich anyway. In relation to this, I am wondering whether there could be another train that leaves earlier on the Sunday morning to be able to bring quite a number of Ipswich people back, please.

The second issue is in relation to the Springfield train timetable. As you know, in my electorate we have many, many shiftworkers. They want to be able to catch an earlier train than what is currently available in the timetable. They are the two issues that really affect the people in my area.

Mr HINCHLIFFE: Through you, Chair, I want to thank Mrs Miller for the questions. Firstly in relation to those late trains, I have actually certainly asked, in the context of the changes that are happening in relation to licensing and the measures to address alcohol fuelled violence, TransLink to explore the range of ways in which we deal with our night services. The NightLink trains do operate on the Beenleigh, Caboolture and Ipswich lines departing from inner city stations at around 3.30 am and stopping at all stations but I can see how that maybe does not necessarily capture those people who you are raising concerns on behalf of and that is why it does make sense that I raise those issues.

Mrs MILLER: They want one around 2.30.

Mr HINCHLIFFE: I take the point. As I say, we will raise that in the context of those broader issues that I have raised with TransLink. In relation to the second question, which is a very different group of people that you are seeking services to cater for, I want to acknowledge how strongly the people on that western corridor area have embraced the Springfield line and congratulate you on the way that you have helped highlight and promote that great service and that great achievement by Labor to deliver that line to your community. As I say, I am so very, very pleased that people in the western corridor have embraced the new line.

I can assure you that you are not the only person hearing about this and you are not the only avenue through which those requests are being raised for earlier services. I have certainly heard this community feedback calling for an earlier train leaving Springfield station to the Brisbane CBD. Today, I can announce that a new early bird train for the Springfield line will be delivered.

Mrs MILLER: Good.

Mr HINCHLIFFE: A 5.09 am service will leave Springfield Central and stop at all stations, arriving at Central station at 5.50 am. It will be an additional service for the community. This earlier service will help cater for both shiftworkers and those starting a working day early in the city. I want to highlight that with our Fairer Fares package and the extension of the overnight off-peak time to 6 am—currently it is from 7 pm to 3 am—people catching that service will have a 20 per cent discount as it will be an off-peak fare. It is helping to address that broadening of the way in which the peak would work. That would deliver significant savings, over and above the tremendous savings that normal passengers on the Springfield line will benefit from as a result of the Fairer Fares package coming in in January 2017.

CHAIR: I will return to non-government questions.

Mr POWELL: Can I please seek a ruling from you, Mr Chair, as to why I appear to be unable to ask questions of the CEO of Queensland Rail regarding a report that has been tabled—indeed, a report that this committee has already considered and reported on itself—just because the government is undertaking a review. It is not a royal commission or any such thing, which prevents me from—

CHAIR: Which report is that?

Mr POWELL: Going back to the Auditor-General's report and the line of questioning that I posed previously, the suggestion was that because the government is doing an independent review that somehow prevents—

CHAIR: I thought your question regarded signalling?

Mr POWELL: Correct, as it pertains to the Auditor-General's report. I am at a loss—

Mr HINCHLIFFE: I misunderstood that when you said it. My apologies.

Mr POWELL: The question was: if there were concerns, why were they not raised with the Auditor-General? I am struggling to understand why those questions were ruled the way they were.

CHAIR: I will answer that, as chair. I thought you were asking a question to do with the current inquiry.

Mr POWELL: No.

CHAIR: If you are referring to that, feel free to call the CEO and ask some questions.

Mr HINCHLIFFE: Now it makes sense that the CEO said that she was comfortable with answering.

Mr POWELL: Again referring to Audit Office report No. 8 of 2015-16, *Transport infrastructure projects*, there is no reference in that report on the Moreton Bay Rail Link to concerns with signalling systems. I ask: to your knowledge, did Queensland Rail make its concerns with the signalling system known to the Auditor-General while he was undertaking his audit?

Ms Gluer: I am advised that the report the member for Glass House is referring to was finalised in October 2015 and tabled in parliament in December 2015. That is the report that you are talking about. At that stage, there were not signalling issues that Queensland Rail considered would give rise to delay in commissioning the project.

Mr POWELL: I refer to the fact that a Queensland Rail spokesperson made a comment to the media regarding concerns raised by Queensland Rail about the signalling product a number of times in 2014. Can you confirm whether concerns were raised, as part of incoming government briefs, with the Deputy Premier at the change of government or when Minister Hinchliffe came into his portfolio? There seems to be a discrepancy: you are saying that, because the report was finalised in October to December 2015, there were no concerns around the signalling system in that time, yet we have a QR spokesperson saying that concerns were raised throughout 2014. Can you please clarify?

Ms Gluer: In terms of advice to ministers, both present and past ministers in the Department of Transport, my understanding is that I cannot address issues I have raised with them in briefings without the consent of the minister involved. I would seek that consent in the first instance.

Mr POWELL: I am happy to leave aside the incoming government briefs and the briefs to the minister. You have just said that the reason they were not included in the Auditor-General's report that was finalised in 2015 was that there were not any concerns around the signalling on the Moreton Bay Rail Link, yet we have a QR spokesperson going to the media and saying that concerns were raised by Queensland Rail about the signalling product a number of times in 2014.

Ms Gluer: If I can look at the press statement, I would be most appreciative, if that is possible.

Mr POWELL: I do not have a copy of the press statement on me, but I am sure we could make it available.

Ms Gluer: If I could talk generally, Chair, I am happy to. As an example, it is quite normal in projects—and I am sitting here with the director-general and between the two of us we have a lot of experience in projects—for issues to come up that are addressed and you push on. You think you are going to have ways of dealing with them or ways of solving them or ways of managing the risk. With IT projects— and the signalling project is like an IT project—you have bugs. As those bugs come up, you address them. You may identify in the initial procurement, as an example, that there could be potential risks around a product, but you believe that through a whole range of issues you will be able to deal with those risks and those product bugs, for want of a better way of putting it. As time goes on, as bugs come up you fix them. If bugs come up that you do not anticipate, that can give rise to a separate level of concern.

Mr POWELL: To use your language, CEO, to the best of your knowledge they were only bugs and those bugs were addressed right up until the conclusion of 2015, and it was only this year that you were made aware of serious concerns with signalling?

Ms Gluer: I am being terribly careful to not step in to the independent review here. There were—

Mr POWELL: I do not understand why, because there is no standing order that prevents you from doing that.

CHAIR: I would not like to, in this public forum, potentially influence the outcome of an independent review.

Mr POWELL: I am not trying to influence the outcome of the review.

CHAIR: No, but by asking questions to do with the actual content of that review, so I ask you to be careful.

Mr POWELL: Which standing order are you referring to?

CHAIR: No, I am not referring to a standing order. I am making a call as the chair of this committee. I am uncomfortable, in a public forum, with review that is going on. It is similar to any legal case.

Mr POWELL: It is not a royal commission.

CHAIR: It is not a royal commission; I agree with you.

Mr POWELL: There is no legal precedent for why I cannot ask these questions.

CHAIR: Can you give us copies of the media statement that you are talking about?

Mr POWELL: I will endeavour to make those available.

CHAIR: Then we can continue that line of questioning.

Mr POWELL: So I am not able to pursue that line of questioning—

CHAIR: You are able to pursue that line of questioning, but I will ask you not to ask a question if people are uncomfortable with answering because they may influence the outcome of a review—

Mr POWELL: I am sorry: this is estimates, Mr Chair.

CHAIR: Yes, it is.

Mr POWELL: We review the budget put down by the Queensland government.

CHAIR: We do. I am aware of why we are here, member for Glass House.

Mr POWELL: I am pleased, because I am struggling. Just because there is a level where people are uncomfortable does not mean the question cannot be answered.

CHAIR: If you ask your question?

Mr POWELL: I did. I am seeking an answer.

CHAIR: Can you ask your question again?

Mr POWELL: I am trying to understand. We have 2014 and we have 2015. I am being told the Auditor-General said it was all clear. You have basically confirmed that, CEO. The simple question was: did the issues relating to the Moreton Bay Rail Link signalling system only become of significant concern in 2016?

Ms Gluer: That is my understanding as well—sorry, from late 2015.

Mr POWELL: Post the Auditor-General's report?

Ms Gluer: Exactly, so the Auditor-General actually finalised his report in October. It was presented to parliament in December, but it was post October 2015 when Queensland Rail started to find more issues with the system. Then it was very much in early 2016, in particular late April running into May, when there were concerns coming up that we believe escalated the situation.

Mr POWELL: To be clear, CEO, can you please give me an understanding of when you were briefed on those concerns held by QR staff and when you relayed those to the minister?

CHAIR: Minister, you can object to the line—

Mr HINCHLIFFE: I am happy to run through the timeline, as far as it relates to advice that came to me.

Mr POWELL: That saves me asking the subsequent question, so go for your life, Minister.

Mr HINCHLIFFE: I thought we might be cutting to the chase here. Let us walk through this quite carefully, because I want to make sure that the committee understands what occurred. On the morning of 30 May 2016, I received a brief from Queensland Rail about outstanding issues with the signalling system for the jointly funded \$988 million Moreton Bay Rail Link project, the MBRL. That advice was shared with my local and federal government counterparts, the co-funding partners. I announced that morning my decision for the line not to be opened until the CEO of Queensland Rail deemed it fit for commissioning. Let us go through the key detail of the time line. That is the background.

As I said, on 30 May the consistent advice that the government received was that the project was on track to be delivered midyear. In fact, the advice, as recently as March, was that it would be likely opened in May. Further, my incoming minister brief in December last year clearly stated that the MBRL was 'on track to be delivered by mid 2016'. While the advice has been that the project was on track, I was concerned when the scheduled date for closures to undertake critical connection works and signal

testing for the MBRL was postponed. This, to me, was a red flag. That is why I sought separate advice, separate written briefs, from both the Department of Transport and Main Roads and Queensland Rail. That request was made on 9 May 2016. I received those initial briefs and requested a meeting with the DG and the CEO. That meeting occurred on 17 May 2016.

As a consequence of those initial briefs and the subsequent meeting, I instructed the department to provide Queensland Rail with all commercial and technical information requested, in order to allow me to provide a final assessment on the status of the project. That was the advice Queensland Rail provided me, after they got all of the relevant technical and commercial information. They provided it to me on 30 May 2016. That is why it was on that date that I made the call and made the decision that we had to postpone the potential opening and put the matter into the hands of those people or the operators of the rail network to make the final call as to when it would be safe and proper for the rail line to be opened safely and to do so fit for purpose.

Mr POWELL: Mr Chair, I have a copy, or a partial copy—we are having some problems with the printer—of the media report I was referring to. It is dated 6 June 2016. It is an ABC News article, in which it quotes a Queensland Rail statement as saying—

Queensland Rail's signalling engineers participated in the technical evaluation of the Moreton Bay Rail Link signalling system in April 2014 and rated Ansaldo's MAcroLok system lower than the alternatives due to it not being type approved and Queensland Rail's lack of confidence in the technology being able to be implemented within the time frame required for delivery of the project.

I acknowledge that that is part of the initial identification of which system you go with. The report goes on to say that QR said it raised concerns in 2014, before construction started. I think that is where all of the confusion has arisen. Certainly I appreciate, Minister, that your time frame makes it very clear that this is a late 2015-16 issue. What has not assisted in this whole debate and discussion, which has been very public, has been this reference to comments in 2014. I provide that for you. I am happy to provide you with the rest of it when we can get it printed.

CHAIR: Do you want to table it?

Mr POWELL: Chair, you requested it. It is your call whether or not you want to table it.

CHAIR: No-one wants the rail link opened more than I do, I assure you. It runs right through my electorate.

Mr POWELL: I have concluded that line of questioning.

CHAIR: We will have copies made for everyone. We will move to government questions.

Mr PEGG: With reference to Budget Paper No. 3, the Capital Statement, page 115, can the minister please inform the committee of investment being made in rail rolling stock?

Mr HINCHLIFFE: We have made some reference already today to the state government's investment of some \$417.9 million towards the delivery of 75 new six-car sets over the next five years and the construction of a new maintenance centre at Wulkuraka and the services pertaining to that over a 32-year period, totalling some \$4.156 billion. The New Generation Rollingstock is being constructed by the Qtectic consortium led by Bombardier.

As the safety of our commuting public and transport workers is a No. 1 priority for my department and our government, every aspect of the NGR, the New Generation Rollingstock, will undergo extensive testing to make sure they meet Queensland Rail's operational and safety standards. Following this comprehensive testing, the first NGR is expected to enter the South-East Queensland passenger rail network in late 2016.

As the new trains begin to roll out across the network there will be a boost in the overall size of the SEQ rail fleet by 30 per cent. Commuters will notice the new and improved features, including wi-fi, better seats with more leg room, wider aisles, an accessible toilet with a baby change table and internal and external CCTV cameras to enhance safety and security for passengers and staff.

Commuters have been considered in the train's design and train drivers have been consulted through the design process, resulting in a more spacious cab and ergonomically designed consoles. I am proud to say that the government is delivering such advanced new trains. It is great that we will be seeing commuters able to use them in the coming months.

The new generation rolling stock project will support about 500 full-time jobs in South-East Queensland, including 131 positions for the management, design and commissioning of the trains, 215 positions for the construction of the Wulkuraka maintenance centre west of Ipswich and 150 ongoing full-time jobs at the Wulkuraka maintenance centre. There will be up to 1,500 indirect jobs supporting the project.

The project began under the previous government when we were in opposition. Labor raised a number of concerns around the project at the time. The member for Indooroopilly could have maximised the benefits for Queensland jobs by requiring the trains to be manufactured in Queensland, but he allowed the project to go ahead with jobs going to India instead. While that cannot be changed, it is important to remember that the Labor government's preference is always to put Queensland first and well before any other state or country.

I am pleased that we are seeing the benefit and the input of this new rolling stock to our network, but I think it would have been nice to have seen it happen a different way. That is the way it is happening. It is good to see that it is being managed and delivering great outcomes for the employees at Wulkuraka.

Mr WHITING: With reference to Budget Paper No. 3, Capital Statement, at page 115, can the minister please inform the committee of the jobs created by the capital investment in transport infrastructure and services throughout Queensland?

Mr HINCHLIFFE: On top of talking about those jobs created in relation to new generation rolling stock, I reiterate that providing jobs and skills is clearly a high priority for the Palaszczuk government. I can assure you that it is my No. 1 focus as transport and Commonwealth Games minister. This is a government that believes in the dignity of work and creating jobs instead of slashing them, like we saw with other experiences in recent times.

Last year Queensland Rail employed 24 new apprentices and trainees in trades, including electrical, mechanical, carriage building, painting, black smithing and carpentry. The new Rail Training Centre of Excellence is a pivotal part of its training program. Some 300 Queensland Rail employees will take part in a range of training activities every year at that facility. This will also allow for TAFE students to have unique access to rail based training, which will open up further career possibilities for people studying a relevant trade.

The centre will enable SkillsTech to introduce a number of new rail specific fields to its curriculum, including rail transmission and distribution and transport and logistics. It was great to be able to visit the Rail Training Centre of Excellence adjacent to the Acacia Ridge SkillsTech with the training minister, Yvette D'Ath, earlier this year.

It will also support existing trade training requirements, such as those in electrotechnology, engineering, metal work and fabrication. These skills are essential to ensuring that our next generation of tradies are equipped with the skills that they need, particularly to support our transport industries.

As I have made mention, 150 jobs are being delivered as a result of the new generation rolling stock project in Ipswich. As I said earlier too, a thousand construction jobs are being created in relation to Gold Coast Light Rail stage 2. Importantly, there are 200 jobs being created as part of the \$163 million Coomera to Helensvale duplication project.

I am pleased to advise that the \$40 million regional rail network infrastructure upgrade, improving tunnels and bridges, will support a number of jobs in our regions as will the \$100 million north coast line capacity upgrade. These are just a few of the highlights that show how the Palaszczuk government's investment in transport and infrastructure in Queensland is helping to create jobs.

It is also important to note that in South-East Queensland the proposed Carindale station and busway approaches and the East Busway Coorparoo to Capalaba project were removed from QTRIP by the previous government. They are missed opportunities. I am keen to look at how to respond to the opportunities for developing our network and supporting jobs through the process.

Mrs MILLER: I have a question in relation to bridge strikes. I understand that from 1 April this year there have been about 18 bridge strikes affecting the South-East Queensland rail network. Apart from the very serious safety concerns for the drivers of these trucks, it also disrupts public transport—rail as well as buses—and car travel. I want to know what is being done to educate these heavy vehicle drivers and also drivers who hire trucks—in other words, those who are trying to save money and hire furniture removal trucks? They really do not understand the height of the trucks and that is why they are getting into trouble. What are you doing to assist in relation to these matters?

Mr HINCHLIFFE: Safety is the No. 1 priority that we have right across our transport network. Obviously those bridge strike incidents cause a great risk to safety, first and foremost. That is the most worrying thing about them. As you say, they also result in very costly damage and frustrating delays for road and rail users. They can be very dangerous. We want to try to prevent these incidents as much as possible.

I am advised that during 2015-16 there were some 38 bridge strikes on the South-East Queensland rail network. Bridge strike incidents commonly involve people who have a larger load than usual or, as you say, are rental truck drivers who are not experienced with over-height vehicles. That is

the recurring theme. It is a very significant issue that is dealt with by Queensland Rail in particular ways. I will make mention of those before asking the director-general to respond more generally from a road safety and road network point of view.

Queensland Rail is committed to reducing the likelihood and impact of the bridge strikes through engineering solutions and also working with police on enforcement. Queensland Rail is installing protection beams at a number of rail bridges across the South-East Queensland network where they are recording a high rate of strikes. Those protection beams are designed to stop over-height vehicles before they reach the rail bridge, eliminating the potential for a bridge strike. That improves road safety for a whole range of users across the network.

Since August 2015 protection beams have been installed at Allwood Street Indooroopilly, Price Street Nambour and Woombye Road Woombye. Works to install protection beams at Muriel Avenue Moorooka will commence in the coming months. I understand there are protection beams being designed for Bertha Street Goodna—

Mrs MILLER: Thank heavens.

Mr HINCHLIFFE: Pine Street Wynnum and Alma Street Dakabin. We have seen that one together, Mr King.

CHAIR: It is dangerous.

Mr HINCHLIFFE: They are being designed for Countess Street Brisbane and Oxley Road Oxley. I will ask the director-general to add some comments from a more general road network perspective.

Mr Scales: All the approaches to anything on a state controlled road are signed to say that there is a low bridge and signed a long way back. The driver should have adequate and sufficient warning before they get there. I have seen stickers in cabs in various cabs I have been in. They have yellow stickers to tell people the height of the vehicle. They are in certain four-wheel drives. I have seen them in larger vehicles above 4.5 tonnes.

It depends largely on the driver. It is anecdotal—I do not have any facts for this—but the issue is that drivers are either off route or new to the area. We do as much as we can on the signing. As the minister said, we have protection beams. I have seen hoops on roads with steel tubes so if the driver hits that they will at least hear a noise before they get to the bridge. We do everything we can, but we are always looking for new ways to improve safety on our roads.

Mrs MILLER: I do not mind if you take it on notice, would you be able to give me a time line for when the Bertha Street construction is going to start?

Mr HINCHLIFFE: Definitely. My advice is that it is being planned and designed, but we will get back to the committee and you personally about the time frame.

CHAIR: You have covered this a little, but can you further inform us on the changes to public transport fares in the 2016-17 financial year?

Mr HINCHLIFFE: As you say, I have, in passing in relation to other matters, made reference to the Queensland government's Fairer Fares package, but I am keen to go through some of the detail. It is a very important part of the budget which I am sure the committee will want to reflect on in detail in its report to the parliament.

The Queensland government's Fairer Fares package will benefit more than 93 per cent of public transport users and provide real cost-of-living relief for people across South-East Queensland from January 2017. Our Fairer Fares for South-East Queensland package unveiled last month represents the largest improvement to public transport fares in a decade, since the rollout of go card and integrated ticketing. This government said it would act on reducing fares, and we are doing exactly that.

The key fare reforms to be introduced in January 2017 are: cheaper fares across all travel zones; 23 travel zones cut to eight; 20 per cent off-peak discount being extended from 3 am to 6 am; children aged between five and 14 with a child go card travelling free at weekends; the one, two and free incentive for seniors and pensioners staying; and the nine and free incentive replaced with eight and 50 per cent. Concession fares for Queensland jobseekers and asylum seekers will also be implemented from 2017, pending discussions with the relevant federal agencies.

We will also form a Public Transport Fares Advisory Panel to give independent advice on future fares, products and ticketing. Overall, fares across the South-East Queensland network will be cut by an average of 18 per cent. This means many public transport users will save several hundred dollars a year—some even more. For example, a Gold Coast customer who is travelling from the Southport tram station to the Coolangatta surf club—if they were doing that regularly, like a commuter throughout a

year—could save up to \$1,205.28 a year because it is now two-zone journey, down from a six-zone journey. Having fewer zones means larger zones and up to 40 kilometres in some outer zones. This means customers will pay less for local travel within their regions, as well as for longer trips. This is in addition to the fares freeze in 2015 and 2016.

Since the government's Fairer Fares package was announced in June, the community feedback has been overwhelmingly positive. There have been some 27,000 visits to the Fairer Fares web pages on the TransLink website and 37,000 uses of the new fare calculator, and 3,200 customers have also provided direct feedback, which is being considered as part of the final report to government. These fare reforms are great news for all Queenslanders and particularly those in the south-east. They will ease cost-of-living pressures while growing public transport patronage and reducing traffic congestion. It is also important that we acknowledge that fares in regional Queensland will be frozen for the next 18 months as part of the Fairer Fares package.

CHAIR: I call the member for Redlands.

Mr McEACHAN: My question relates to Fairer Fares. I am wondering if you could outline why residents of the Southern Moreton Bay Islands jumped to zone 5 when their mainland counterparts, fellow Redlanders, are all in zone 3?

Mr HINCHLIFFE: I thank Mr McEachan for his question. As I have just highlighted, the Fairer Fares package delivers benefits to 93 per cent of public transport users in South-East Queensland. It is a real benefit and a boon to those users. Let us run through the impacts on the Southern Moreton Bay Islands of the way in which our public transport system works and the fare structure operates at the moment.

Under the current public transport fare zone structure, Southern Moreton Bay Islands is located in zone 12. Under the new proposed structure, it will be in zone 5. This will bring down the adult peak period go card fare for those travelling to the CBD, for instance, from \$10.75 to \$10.32, a saving of some 43 cents per journey. For a Southern Moreton Bay Islands resident travelling to work in the CBD every day, this represents an annual saving of more than \$185. The impact of the package for the Southern Moreton Bay Islands was fully considered as part of the comprehensive and independent review, and that was deemed to be the fair and appropriate outcome.

Equally, it is important to understand the impact on local journeys. Local journeys are a big part of what happens in the Southern Moreton Bay Islands. Not in my current role but in former roles I have visited the Southern Moreton Bay Islands and met with a lot of residents there and heard their cries and requests to be included in the TransLink network, and it is great to see it part of the TransLink network now. For local journeys, Southern Moreton Bay Islands residents will also enjoy significant savings. For example, a trip from the Russell Island post office to the Redland Bay ferry terminal will be about 73 cents cheaper under the Fairer Fares package, based on an adult go card peak fare. If they are doing that on a regular basis, which a lot of people are, that will be an annual saving of some \$315.36.

Given the island commute can mean early starts, the other element of the Fairer Fares package, as I was alluding to earlier in answer to Mrs Miller, which is the extension of off-peak to 6 am, will mean three of the early inbound ferries departing the islands will now be classified as off-peak travel, providing a new saving of a further 20 per cent off their fares. Southern Moreton Bay Islands residents will no doubt benefit from that as a significant element.

Let us be clear: the Queensland government spent approximately \$6.3 million in subsidy for the provision of Southern Moreton Bay Islands ferry services in 2015-16. With approximately 1.2 million passengers using the ferry service per annum, I think this is a really good demonstration of the way in which the state has been making sure that there is affordable accessibility to the mainland. We are making those fares cheaper.

Mr McEACHAN: There is no doubt that that is the case, but that was not really the essence of my question. My question goes to the discrepancy between mainland Redlands as being in zone 3 and islanders being in zone 5. For context—and I appreciate that you have been over there—you will know that the Southern Moreton Bay Islands has been identified as an area of persistent disadvantage in Australia. In conjunction with that, more than any other community in Queensland they are reliant on public transport. Apart from the barge or swimming, you do not really have that many options. Treating Southern Moreton Bay Islands Redlanders the same as mainland Redlanders would make an enormous difference to their bottom line in terms of money in their back pocket. I would urge you to consider in the process of the review why there is that discrepancy between mainland Redlanders and island Redlanders.

Mr HINCHLIFFE: I thank Mr McEachan for his question. I want to note a couple of further issues to put the whole of this into context. Let me preface that by reiterating that we are taking on board the range of feedback, and that includes your representations to me that have occurred before today. Obviously these matters will also be on record, and I invite the committee to make whatever reflections it needs to make. We will take those on board in terms of the final review and determinations of the final nature of the Fairer Fares package.

There are a number of things we have had to balance in this. Let me go through some of the issues that impact on that and relate to the Southern Moreton Bay Islands. Firstly, let us be clear that it was a recommendation of the independent task force that the Southern Moreton Bay Islands be put into a new zone 5. Secondly—and I note Mr McEachan's protestations on behalf of the residents of the Southern Moreton Bay Islands about the historic and enduring disadvantage that is experienced by people in relation to the Southern Moreton Bay Islands—one of the reasons we took the further decision, the sometimes difficult decision, to extend concessions to people who are jobseekers was in relation to addressing the disadvantage that is experienced by a number of people who need to have access to our public transport system in order to try to overcome disadvantage. There is a significant benefit there to a number of people in the Southern Moreton Bay Islands as a consequence of that measure.

The final point I note is that all inter-island trips that are part of the network are free. They are free trips. There is a significant advantage and experience that is subsidised already by the rest of our network and all Queenslanders that is extended to Southern Moreton Bay Islands residents at the moment. That needs to be taken into account in terms of how you balance the decisions that are made. Having said all of those things, let me reiterate that, as we will be taking on board all of the feedback from those 3,000-odd passengers and others who have made comments and given feedback in relation to the proposed Fairer Fares package and where the boundary lines fall, I will take the representations made by Mr McEachan on behalf of his constituents into account.

Mr McEACHAN: Thank you, Minister.

Mr POWELL: Continuing along with the Fairer Fares package, the minister in his previous answer to a government member referred to the fact that 93 per cent of passengers were better off. Can the minister outline some of the situations where the seven per cent are worse off?

Mr HINCHLIFFE: Let us break down the seven per cent. There are four per cent for whom there is no change. There are four per cent for whom it makes no difference, so 93 per cent are better off and four per cent will see no change. Therefore, we are talking about three per cent for whom there is some negativity. That negativity generally comes down to the issue of the move away from—and this was one of the clear recommendations from the task force—the mode of '9 and free', nine trips and then free travel, to 'eight and 50 per cent'.

For the vast majority of people who are commuters who are travelling to and from work and in the current system are achieving their nine trips on a Friday morning and then travelling for free on Friday afternoon, there is no difference when compared to the vast majority of those same people in the future system under the Fairer Fares package achieving their eight trips on Thursday evening and then travelling at 50 per cent for their Friday commute. Equally, taking into account that a significant number of those people might get extra benefits through the extension of the off-peak time—those sorts of things—that is why the majority of those people end up in the 93 per cent.

The three per cent are generally those people who have been utilising the '9 and free' quite extensively. Let us be clear: some of the data and observation that informed the task force and evidence that was brought before the task force was that there was a small group—and obviously you are talking about a group within three per cent of all current users—who were actively, let's say, taking the most benefit from the system.

Mr POWELL: Taking advantage of the system.

Mr HINCHLIFFE: Taking advantage of the system.

Mr POWELL: Making the most of it.

Mr HINCHLIFFE: Indeed. Whether those travel patterns would continue under the new Fairer Fares package of 'eight and 50 per cent' is another thing. On the straight-out matter, that is where the three per cent lies.

Mr POWELL: Minister, can you confirm the anticipated cost of this package?

Mr HINCHLIFFE: Yes. The anticipated result of the change to not only the reduction in the number of zones and the reduction in fares but also the extension of the—

Mr POWELL: The 'eight and 50'.

Mr HINCHLIFFE:—all of those different factors but also the extension of the concession to jobseekers and asylum seekers is projected forgone revenue of \$229.9 million per annum.

Mr POWELL: Per annum.

Mr HINCHLIFFE: Sorry, over four years.

Mr POWELL: \$230 million over four years.

Mr HINCHLIFFE: Over four years—sorry, over the forward estimates.

Mr POWELL: I acknowledge that that is revenue forgone.

Mr HINCHLIFFE: That is revenue forgone. I want to make the point for the committee's sake that that is revenue forgone based upon a very, very conservative patronage increase.

Mr POWELL: Of what per cent, Minister?

Mr HINCHLIFFE: It is an elasticity rate of 0.175. That is quite conservative. I am happy for the director-general to expound on that further. We are generally very keen and up-beat about the difference that this Fairer Fares package will make to patronage numbers, as I was alluding to earlier. Affordability has been year in, year out identified as being one of the key barriers for people becoming and continuing as patrons in our public transport system. I would be happy to hear the director-general comment on that further.

Mr POWELL: Before he does, is Treasury compensating your department for that foregone revenue?

Mr HINCHLIFFE: Part of the package was that we committed to find the savings to deliver for this, and that is part of the agency's confidence around what we can do to see a higher uptake of patronage, but we also have confidence around the identifiable savings that can—

Mr POWELL: Perhaps as the director-general expands upon that he might also expand upon the savings that he has identified to fund it.

Mr Scales: Thank you for the question. The elasticity of 0.175 is incredibly low. On current patronage figures, it is only allowing for two million additional trips a year which we think is incredibly conservative. On the savings that we have identified moving forward, we have a system called Trails, which is our licensing system on which we were going to spend a lot of money to upgrade. The existing system is very clunky, but it is very safe if it keeps on going. We have pushed Trails back to beyond the forward estimates. We will not be modifying our offices in Rockhampton. My staff will have to put up with what they have. There is a Mackay customer service centre that we were going to completely rebuild. That goes back beyond the forward estimates as well.

We have talked a lot today about new generation rolling stock. The new generation rolling stock appears with maintenance attached to it. In the forward estimates we have maintenance budgeted for all trains, so there is a saving there. Similarly, we have depreciation on the new generation rolling stock. It is catered for with the existing fleet. NGR obviously has a different depreciation profile, member for Glasshouse, because it is brand-new kit. Those alone will help towards the projected revenue forgone.

Again, these are estimates. What we have tried to do is make sure that we are not disadvantaging anybody across Queensland with those projects I have identified. We are also making sure that we use an incredibly small elasticity figure. As the minister has outlined, 93 per cent of people are better off. Four per cent are no better and no worse off, and the three per cent beyond that have perhaps taken advantage of nine and three.

Mr POWER: The short version is that if patronage growth exceeds your elasticity figure your staff in Mackay and Rockhampton get their upgrades. If it doesn't, they do not?

Mr Scales: Correct.

Mr COSTIGAN: Minister, earlier in your remarks you touched on public transport in Queensland being not just in the south-east corner. You are bringing TransLink to the city that I represent, Mackay. How much is it going to cost?

Mr HINCHLIFFE: In terms of the specifics of the budget and how much the delivery of the TransLink system and network to the Mackay region will cost, I refer that to the director-general.

Mr Scales: On the costing side, a lot of it will be branding. The QConnect brand will disappear, in effect, and you will have a TransLink brand. I alert the chair and the committee to the fact that we have something called new generation ticketing. As we change out of the smart card system that is in the south-east corner, we want to extend it to other places in the state. We are trying to use the TransLink brand in your area but also in Mackay and other areas. Effectively, it is more about extending the brand beyond the south-east corner.

We also have a draft regional investment strategy that we are moving on with. We are also working with local areas to make sure we have local plans. We are looking at route alignments, the brand, as I have said, and community consultation. All of those things will be taken up within our existing budgets, but the objective of the exercise is to get a better service not just in the south-east corner but elsewhere as well.

Mr COSTIGAN: Minister, I have a question regarding an area of interest to me, and that is the Townsville eastern access rail corridor. As you would be well aware, the Commonwealth has pledged \$150 million for this project. Where is your money for a business case relating to this project?

Mr HINCHLIFFE: The situation in relation to the business case for the Townsville eastern access corridor is that we have offered to co-fund the development of the business case with the Commonwealth government. We are awaiting their formal response, but let me say to you that I had a conversation with the reaffirmed federal transport minister, Darren Chester, on Tuesday and he was very positive about their commitment to meet us halfway on the business case. That would be in the order of \$3 million from each government to fund the development of the business case. He was very positive about that, but to be clear I have not had formal confirmation from the Australian government yet that that has been committed to. Clearly, that is a small amount out of the rather large amount that the Australian government committed to in the lead-up to the federal election. Equally, it is important to note that even the large amount that they committed to does not go close to a project that we think would cost upwards of around \$600 million, but we need to have a business case to understand that.

Mr COSTIGAN: Minister, you may well say that, but that is the big picture project.

CHAIR: Minister, have you finished answering the question?

Mr HINCHLIFFE: Yes, I have.

Mr COSTIGAN: Minister, with due respect, that figure you are quoting that has been bandied around would pay for the start of the project and a lot more. I think the people who are advocates of the project want to see a start made and I think that is an inflated figure, with due respect.

Mr HINCHLIFFE: I will be in Townsville this weekend—

Mr COSTIGAN: Won't we all?

Mr HINCHLIFFE: I am not going to the races or the football, but I will be in Townsville this weekend. I am confident that the people of Townsville will have some very good news from the Queensland government about reiterating our commitment to funding the business case. I am very confident that we will have a matching agreement from the Commonwealth.

Mr PEGG: Minister, I refer to page 14 of the SDS relating to Traveltrain services. Can you please outline the government's commitment to regional rail services in Queensland?

Mr HINCHLIFFE: The Palaszczuk government is fully committed to our regional travel and tourism rail services. We provide high-quality services right across this state, and I am not ashamed that we invest heavily in our regional areas. Our regional services—the *Spirit of Queensland*, the *Spirit of the Outback*, the Rockhampton tilt train, the Bundaberg tilt train, *The Westlander*, *The Inlander* and *The Gulflander* are vital to our public transport and tourism network. Running services in regional areas costs money. That is the reality, but public transport is a public good. It benefits not only the people who use it but also the wider community through connecting people to each other and places that they need to be to enjoy a high quality of life. This government is not going to apologise for its dedication to ensuring Queenslanders have a high quality of life.

If you want to run services that benefit the elderly, the vulnerable and other low socio-economic groups of people, it comes at a price. Early on in my time in this portfolio I had the pleasure of travelling to Gladstone on the tilt train. In my carriage there was a woman travelling for medical reasons after receiving treatment in Brisbane. It is this type of travel, in addition to the vital tourism services, that makes our regional rail network so important. When we want to boost regional tourism, you need to have regional tourist products and a great example is running high-quality services like regional heavy rail.

Government is about making choices. This government stands up for all people from all over Queensland. The committee might be aware that questions on notice were answered by me yesterday detailing the level of subsidy per passenger on those regional services. What it showed is that, with lower patronage and fixed costs from QR, the level of subsidy per head goes up. I was pleased to demonstrate that simple maths to the LNP. Frankly, I was surprised to see that as a non-government question because if the answer or response from the LNP is the level of subsidy per passenger is too high that leads you to only one place: yet again the LNP want to cut regional services. I want to improve them. I want to get more tourists and more passengers on to them.

I have told the chair of Queensland Rail that it is a priority of mine, and QR has engaged with Deloitte's to make these services better. The nature of the question on notice should send shivers down the spine of regional and rural MPs, rural and regional towns and regional people. Frankly, hasn't Tim Nicholls done enough to rub it into the National Party's nose that he won? Does he now want to embark upon a strategy of undermining government investment in rural and regional rail services? Today I have written to every mayor and every tourism provider along these routes to reassure them that the Palaszczuk government's commitments are to retain and improve these services over our time in government. Now the challenge is for the LNP to do the same: to make the same commitment. Anything short is code for a secret plan to cut regional rail services across Queensland in Bundaberg, Longreach, Gladstone, Rockhampton and Cairns.

Chair, there are a couple of points on questions that we have flagged, and I think the director-general has some updates to provide some extra information.

Mr Scales: Member for Glass House, you asked about those stations on the network that would take nine-car sets. The answer is Nambour, Caboolture, Gympie and Ipswich. In anticipation of the next question, the Cross River Rail stations at Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition stations will also be designed as nine-car platforms. We have no plans at all for nine-car sets at this point in time.

On the rail freight impacts of Cross River Rail, the rail connection through Normanby is an important part of the rail freight network, particularly north coast line freight services. Design of Cross River Rail includes the delivery of an additional third track to support freight services through the section. The project will also allow additional rail connections through main yard to connect to the north coast line. No detailed modelling has taken place thus far, but the design and construction phase of Cross River Rail will provide the opportunity for the private sector to get involved and innovate to make sure we do not affect the operational network.

Finally, with the time available I have been unable to identify the budget difference on new generation rolling stock that the member outlined. If I could take that on notice, that would be fantastic.

Mrs MILLER: I have a question in relation to railway station car parking. Those that go along the Ipswich line are finding it even more difficult to park, particularly around Springfield Central and the Springfield train station. What they want is an extension of the railway line to Redbank Plains. Can you comment on any plans to extend the railway line through to Redbank Plains where I understand there are plans for around about 1,000 car parks?

Mr HINCHLIFFE: In relation to the Redbank Plains railway extension, the time frame for construction and commissioning of this rail infrastructure and this corridor is currently not known. It is not planned. It will be prioritised in alignment with the other infrastructure priorities across the state. That very much lends itself and responds to the demand and the growth in that western corridor. I know you know very well how dramatic that is, and I appreciate that as well. The Queensland State Infrastructure Plan identified Redbank Plains rail extension as a future opportunity. The corridor has been acquired. We have the whole corridor right through from Springfield out to Redbank Plains and back up to link into Ipswich. That corridor has been acquired—

Mrs MILLER: Yes, I know. We understand that there is not the population to go through to Ripley, but if we could get it through to Redbank Plains we would all be happy.

Mr HINCHLIFFE: I take that on board as part of the ongoing planning we need to do. It is better to deliver those broader opportunities and access to the heavy rail rather than building more and more acres of park 'n' ride. It is better to get the rail to the people who need it.

While I am responding to the question from Mrs Miller, I want to come back to Bertha Street, Goodna. The design will be finalised in October 2016. The tenders will go out in January. Construction will commence in the first quarter of 2017, with an anticipated completion in mid-2017.

CHAIR: Time has now expired. The committee will now take a break. The hearing will resume at 4.30 pm to examine the estimates for the minister's portfolio area of the Commonwealth Games. I thank everyone for attending.

Mr HINCHLIFFE: Before we completely conclude at this point and come back again, I want to thank all of the Department of Transport and Main Roads and Queensland Rail staff for their time and energy in preparing for today's hearing. I really appreciate all that they have done. My thanks particularly go to Neil Scales, Mike Stapleton, Miles Vass, Matt Longland, Ray Van Kuyk, Chris Mead, Don Bletchly and all of their teams. My thanks go to Helen Gluer and the entire Queensland Rail team. I also thank my office.

I want to particularly place on record my thanks and longstanding appreciation for the over 10,000 train, rail, bus, tram and ferry staff who make our entire public transport system deliver each and every day to the travelling public in Queensland. I also want to thank the 945 staff in our customer service centres around the state. I join with Minister Bailey in thanking the 1,112 road construction and maintenance crews, the 31 road safety officers and the 1,895 school crossing staff employed by the Department of Transport and Main Roads across the state. Their dedication is something that we appreciate and it needs to be expressed each and every day. I thank the committee for their attention.

CHAIR: Thank you, Minister. I thank everyone else for attending.

Proceedings suspended from 4.01 pm to 4.30 pm



CHAIR: Welcome back, Minister and officials. The committee will now examine the estimates for the minister's portfolio area of the Commonwealth Games. I would like to welcome John-Paul Langbroek MP, shadow minister for the Commonwealth Games and member for Surfers Paradise. I call the member for Surfers Paradise.

Mr LANGBROEK: I welcome officials and people from GOLDOC. I thank the committee for letting me be here today to ask questions. My first line of questioning is to the director-general and relates to page 14 of the SDS and staffing where it refers to the 101 staff in tourism and events development. Can the director-general advise the committee how many FTEs are in the Office of the Commonwealth Games?

Ms Houghton: The number that you see in the Service Delivery Statements is a combination of our tourism divisions and the Commonwealth Games divisions within the department. Currently, there are 61 FTEs in the Commonwealth Games division.

Mr LANGBROEK: My next question is to do with the same topic and I have a series of questions to do with page 14 of the SDS. Can you advise whether there has been any diminution of tourism and events development staff—in other words, prior to the 2015-16 budget, where there are 61 out of 101? Has there been a diminution of tourism and events development staff because of the build-up of Commonwealth Games staff?

Ms Houghton: No.

Mr LANGBROEK: Could you advise how many FTEs are based in Brisbane and how many have a permanent allocation on the Gold Coast?

Ms Houghton: One hundred per cent of the staff that are in the Commonwealth Games division are based in Brisbane.

Mr LANGBROEK: All 61?

Ms Houghton: All 61 at this stage.

Mr LANGBROEK: I wonder if you could advise the committee, then, given that we have had a number of successive governments of both colours talking about regionalisation, why they could not be on the Gold Coast and drive up the M1 instead of driving down the M1?

Ms Houghton: The Commonwealth Games is obviously a huge logistical exercise. It is the second largest event in Australia. It is a \$2 billion investment and there are multiple partners with multiple roles involved in delivering the Commonwealth Games. As I am sure you know, the host city is the Gold Coast but there are also some events that are occurring in Cairns, Townsville and Brisbane. There are different roles that are played by all of the many different partners—there is TMR with the transport, there is GOLDOC obviously with the delivery of the games, there is Queensland Health assuring the health side of everything is covered off, there is the Queensland police and the list goes on. The role of my department is to effectively be the conductor of that orchestra and provide that portfolio framework management component. To do that, we need to be able to access many different partners and players, and it suits to be based in Brisbane.

Mr LANGBROEK: Okay. Could you advise the committee what performance KPIs the Office of the Commonwealth Games has and how they differ from those of the organising corporation?

Ms Houghton: Our roles are quite different to the organising committee in GOLDOC. We have four key focus areas as the functionality of our division of the Commonwealth Games. We provide the overall portfolio assurance across a number of different players, and I mentioned some of those previously. We are responsible for delivering the state side of the protocol. We are responsible for delivering the arts and culture program. We are responsible, very importantly, for ensuring the legacy outcomes across the state out of the state's investment. The organising committee is more focused on the event delivery. We work in collaboration, but the state's major focus is probably ensuring the legacy outcomes before and after the games continue.

Mr LANGBROEK: Thank you. Director-General, can you advise the committee how these 61 positions have been funded? Was it an allocation that was there from Treasury specifically that has built up as these positions have now been appointed?

Ms Houghton: It is a combination of secondments from some other departments where the costs have stayed with those departments—so effectively it is an in-kind contribution of the staffing member—and an allocation that was within the overall funding envelope for the games.

Mr LANGBROEK: So an overall funding envelope for the games in entirety, a portion of which was always going to be going to tourism and events development to put on extra staff who were going to be Commonwealth Games bureaucrats?

Ms Houghton: There was funding allocated to the games to pay for some of the staff. It is a huge logistical exercise. Four years ago, when people put the bid book together, the components that created the allocations of funding into different categories within that bid book were bound to change and shift. Some of those have shifted to fund some of the staff—not all of the staff—in the Office of the Commonwealth Games.

Mr LANGBROEK: We do not have a shadow bureaucracy watching over the bureaucracy of the Commonwealth Games organising committee? No? Is that a wrong interpretation for me to make? I can understand what you have said about their different roles, but I just think there could potentially be an interpretation that we have 61 bureaucrats in Brisbane shadowing the GOLDOC bureaucracy as well. I wonder if you could enlighten the committee about that.

Ms Houghton: I am quite confident that that does not occur. We cannot lose sight of the fact that it is a \$2 billion investment. It is a huge logistical exercise. It is the second biggest sporting event in the world. There is an assurance role to play in not only making sure that we coordinate all of the different players within the orchestra but also making sure that the lasting social, economic and environmental benefits associated with the games that create the legacy outcomes accrue from that investment to the state.

Mr LANGBROEK: When the Office of the Commonwealth Games comes to Ashmore, do they rent office space or do they just co-locate with GOLDOC?

Ms Houghton: We share GOLDOC's location and offices.

Mr LANGBROEK: Could you advise what the operating budget is for the Office of the Commonwealth Games for 2015-16, its actual spend and the estimated budget for 2016-17?

Ms Houghton: The current budget for 2016-17 is \$185.7 million. I need to get my hands on the statistics for 2015-16 and the actual spend because it is combined with tourism when we report it in our figures. Could I come back before the end of the session with that information?

CHAIR: Yes, if that is okay with the minister.

Mr HINCHLIFFE: Yes.

Mr LANGBROEK: Thanks very much, Director-General. I move to page 27 and the service area objective 'to plan, organise and deliver the Gold Coast 2018 Commonwealth Games'. Minister, when is the Carrara Sports and Leisure Centre scheduled for completion?

Mr HINCHLIFFE: The Carrara Sports and Leisure Centre—just like all of the competition venues—is scheduled for completion 12 months ahead of the 2018 Commonwealth Games, so that means April 2017. I expect that we will see it completed and delivered earlier than that, but that is the time frame which we have provided for all of the competition venues to be completed by.

Mr LANGBROEK: Chair, I seek leave to table an RTI which comes from DTESB which is the incoming brief for the chair.

CHAIR: Is leave granted to table that? Leave is granted.

Mr LANGBROEK: Thanks very much. Minister, this is the incoming brief which I understand is for the former premier and now chair of GOLDOC, Peter Beattie. It says that the Carrara Sports and Leisure Centre is scheduled for completion in late 2016. I just wonder why there is a variance between late 2016—and I understood it was going to be October—and the answer you have just given us.

Mr HINCHLIFFE: There has always been a level of contingency built into the delivery of all of the venues for whatever range of reasons. That is why, as I said, the absolute expectation was that competition venues would be in place and delivered 12 months ahead of the 2018 games, and that makes it April 2017. Of course we will see individual venues delivered earlier than that as they are completed. As soon as they are completed, we want to make them available to the community. There have been, at various times, expectations about that and revisions of expectations about those completion dates.

For instance, I had the opportunity to visit the Coomera Indoor Sports Centre today. It is very, very close to its completion. In fact, it is just the finishing works that are going on there at the moment. We expect that to be officially opened in the next week. It is booked and going to be used by the community from the very first day of it being officially opened, with a Queensland schools volleyball tournament being held in that fantastic eight-court facility. That is an example of where as soon as facilities are completed they are made available to the community. The clear expectation that the government has had and the way in which we have worked with in particular the Department of State Development—and they have done fantastic work in overseeing the projects to deliver these terrific new venues—is that all of these venues would be completed and available 12 months ahead of the 2018 games.

Mr LANGBROEK: Given that this brief, which was completed just before the new chair became the chair, said that it was going to be late 2016, do you have any more up-to-date information about the Carrara precinct itself? I know that you said it was meant to be done by April next year. I am concerned, especially given the industrial issues we have had there—and I am going to turn to those. I would welcome any information you can give the committee about why late 2016 has now become early 2017. It would seem to be due to that industrial action.

Mr HINCHLIFFE: I am not privy to information that would suggest that about the sports and leisure centre itself. There still is some opportunity for it to be completed late 2016. My requirement—and the requirement that the government has had of these projects—is that they be completed 12 months ahead of the 2018 games. That is what I have been focused on as being the deadline. The earlier the delivery the better, and I am hopeful that we would see the Carrara Sports and Leisure Centre completed and available to the community as early as possible.

Mr LANGBROEK: In that case, am I allowed to ask questions direct to the CEO?

Mr HINCHLIFFE: You are, just as long as they are relevant to the CEO of GOLDOC and their operations and their role.

Mr LANGBROEK: I want to check whether the CEO is aware of any changed time frame for delivery of the Carrara sports precinct. Minister, is that appropriate?

Mr HINCHLIFFE: That is not part of GOLDOC's brief to deliver. They are not delivering the games venues.

Mr LANGBROEK: That is fine, then. In that case, let me come back to you, Minister. If the original contract to deliver the Carrara sports precinct was due to be delivered by late 2016 in its contractual form, could you advise the committee whether, if it goes beyond that, there are going to be penalties paid by the subcontractor? What are the arrangements there?

Mr HINCHLIFFE: It is a fixed-term contract between the Department of State Development and the head contractor. There will be no costs to the state of Queensland as a result of any overrun. Let me make it clear that whether it is delivered in December or very early in January, it will still be available 15 months ahead of the 2018 Commonwealth Games.

Mr LANGBROEK: I am confident that we are not going to see what we are seeing in relation to the Olympic Games at the moment. I am just trying to clarify. I have a brief here for the incoming chair of GOLDOC that says pretty clearly that these were going to be done in 2016 and you have already confirmed that that is not necessarily what is happening at Carrara. I am just trying to work out that in relation to the industrial issues that we have seen for which the state said they had no responsibility and, therefore, were not part of the court case. Are there going to be any potential ramifications for the delivery of the precinct? I am happy for you to expand if you have some other information.

Mr HINCHLIFFE: I understand that the CFMEU is still in enterprise bargaining agreement negotiations with Hansen Yuncken, who are the managing contractors for the whole of the Carrara Sports Precinct Project. These negotiations are not impacting works at other games venues; I want to highlight that. The Carrara Sports and Leisure Centre is the only games venue which has reported any work hours lost due to industrial action, though other factors, such as Hansen Yuncken's own program slippage, procurement and supply delays, and bad weather, have also contributed. This matter is being managed through the appropriate processes by the managing contractor under the supervision of the major projects office within the Department of State Development. The managing contractor has also advised that they are now working at full capacity on the site and the project team continues to work closely with the contractor and regularly monitor the construction progress. The project is currently still targeted for completion in late 2016. I reiterate that it remains on track to be delivered, as required, more than 12 months ahead of the games.

These are and always have been federal industrial relations issues. The worksite is covered by the federal Fair Work Act and all the matters for industrial relations inspections are a matter for the federal bodies, which is why I was pleased—and I noted at the time that I was pleased—when Fair Work Building and Construction took action under its powers as I would indeed be calling for.

Mr LANGBROEK: Thanks, Minister. I think a lot of Queenslanders were really concerned about these industrial actions that have been carried out. I am concerned that your predecessor in this role as minister had meetings with the CFMEU and I am perplexed as to why you could not, even though you say it is a federal jurisdiction—

Mr WHITING: Is there a question?

Mr LANGBROEK: Yes, the question is: why would you not call the CFMEU and discuss with them the issues that were happening on this worksite?

Mr HINCHLIFFE: These are matters between the industrial organisation and the head contractor. It was not my role to be getting engaged and involved in those negotiations or involved in something that is squarely a matter that is between the company, the industrial organisation and, ultimately, the Fair Work Commission. It would not be appropriate for me to be getting engaged and involved in those matters.

Mr LANGBROEK: In that case, Minister, can I refer you to the incoming brief again? It says here that the managing contract has the requirement to notify the department of any industrial activity on site immediately. Why do they need to do that if the department cannot do anything about it, anyway?

Mr HINCHLIFFE: That is more around just being aware of any delays and issues that might impact upon delivery. Obviously we want to have line of sight and understanding about any challenges that there might be, and clearly industrial action would fall into that category. It only makes sense to me that the commissioner of the project, the Department of State Development, wants to be kept informed around any issues that might impact upon delivery.

Mr LANGBROEK: Finally, you mentioned that at Coomera there are already bookings for the site that is obviously due to be completed. From what you are telling us, there cannot be any bookings for the Carrara precinct because we are not quite sure when it is going to be finished. Even if teams wanted to come in December or January, we do not have bookings at the moment because they cannot be used because we are not quite sure when it is going to be ready?

Mr HINCHLIFFE: The project at Carrara, particularly in relation to the Carrara Sports and Leisure Centre, as is the case in Coomera, will be a piece of infrastructure that will be passed into the hands of the City of the Gold Coast. The City of the Gold Coast has had, as I understand, some enquiries and discussions around potential uses of all of these venues as soon as they become available. That is ultimately going to be a matter for them, but they are fully apprised of and are part of that process with regard to any issues about delays being advised to the Department of State Development. It allows for the Department of State Development to further engage with the City of the Gold Coast as ultimately the manager of those facilities once they are completed.

Mr LANGBROEK: But no-one could make a booking at the moment for late 2016 because we are not sure when they are going to be finished?

Mr HINCHLIFFE: As you would appreciate, no-one would be planning to make a booking for late 2016 at the moment because the advice would be that it is not clear about whether or not that will be the completion date. Indeed, even on the basis of this incoming brief that you note here, it talks about late 2016, so it would be the same sort of environment.

Mr LANGBROEK: Thanks very much, Minister.

CHAIR: We will move now to government questions. Minister, with reference to page 26 of the Department of Tourism, Major Events, Small Business and the Commonwealth Games Service Delivery Statements and the December 2015 Commonwealth Games Federation Coordination Commission update, I note the commission recently reviewed games progress—in May 2016. Could you please update the committee on the findings of this latest review and outline any improvements made since the previous review in December 2015?

Mr HINCHLIFFE: The latest six-monthly review of preparations was delivered as part of the fifth Commonwealth Games Federation Coordination Commission, or the CoCom as it is known, meeting held from 16 to 20 May on the Gold Coast. I had great pleasure in meeting with the chair of CoCom, Bruce Robertson, and the CEO of the CGF, the Commonwealth Games Federation, Dave Grevemberg during CoCom Week. Along with the Australian Commonwealth Games Association, they were also able to attend the announcements of the appointment of the new Gold Coast 2018 Commonwealth Games Corporation Chair, the Hon. Peter Beattie AC, and the announcement of the beach volleyball location. This latest CoCom update provided a strong endorsement of Queensland's planning and preparation for the Commonwealth Games and it showed the CGF is confident that planning for the games remains on track and within budget. This report card from the CGF, along with a range of key decisions that the Palaszczuk government has taken recently, clearly show that we are indeed games ready. It is a vote of confidence in the planning underway and it is clear that CoCom members were impressed with the progress we have achieved in the six months since their previous visit in December last year across a broad spectrum of games preparation.

In the press release following the review, Mr Robertson issued a strong endorsement of our progress and preparations including that solid progress had been made since their last meeting. He said—

I am confident that the people and partners here on the Gold Coast and in Queensland and Australia will deliver a memorable Games.

Further, he said—

We've seen solid progress since our last visit and can start to feel the tangible excitement as part of the countdown to the Games. We've confirmed the largest-ever parasport programme in Commonwealth Games history, the addition of Beach Volleyball to the sports programme and enjoyed the Two Years to Go celebrations.

That was a quote from the CoCom press release. CoCom focused its review on progress in integrated planning in a number of areas key to the success of the games such as legacy, security and transport. The May 2016 report notes that venue development remains on time, on budget and of a high standard. I think that is a particular thing to note as well in the context of other reports and commentary going on around the world at the moment—'of a high standard'. It is also noted that the number of sponsors secured two years out from the games is ahead of previous games and that GOLDOC is on track to hit its commercial revenue target. The CGF again congratulated GOLDOC, the Office of the Commonwealth Games and games partners on commitments to obtain sustainability certification and to develop a Reconciliation Action Plan, or a RAP, for the games. We are the first Commonwealth Games ever to have a RAP and it will be the first such plan for a major event in Australia. It is a very exciting initiative and a terrific legacy item.

CoCom noted that they are huge fans of the games mascot Borobi and are confident that he will be a wonderful success in demonstrating the potential and power of the games to inspire children, communities and the Commonwealth athletes and teams while promoting Australia and our fantastic natural and Indigenous heritage to the world. With the building blocks in place, CoCom reinforced that it is the right time to embrace athletes and communities within Australia and around the Commonwealth and inspire them to be part of the journey to the 2018 games. I am looking forward to receiving further feedback from the CoCom review process so that we can ensure planning for the games remains on track. CoCom reports are confidential and are not publicly released. However, I will table for the benefit of the committee the CGF media release from May 2016 for the benefit of the committee. I seek leave to table that item.

CHAIR: Is leave granted? Leave is granted.

Mr PEGG: The Regional Action Plan also refers to some of the legacy benefits the games will deliver, and page 3 of the SDS departmental overview also refers to the Embracing 2018 legacy program. Can the minister outline some of the broader economic and employment impacts for Queensland from this event?

Mr HINCHLIFFE: Complementing the Gold Coast Regional Action Plan in the budget, the Palaszczuk government is working with games partners to maximise the economic and social benefits to the state from hosting the games. The Palaszczuk government is committed to ensuring the games are the biggest and best ever and leave a lasting legacy for Queensland and the Gold Coast. With an estimated global television audience of 1.5 billion people, the games will put the spotlight on the Gold Coast and showcase Queensland to the world. This will be the biggest event in Australia in more than a decade, injecting more than \$2 billion into the state's economy and supporting up to 30,000 jobs.

As I outlined earlier, indirect spending on the games is expected to contribute much more including investment in projects that I made reference to in our earlier session such as the Gold Coast light rail extension, \$420 million; Coomera to Helensvale heavy rail duplication, \$163 million; and the Gold Coast road upgrade, a package of some \$160 million. These will provide further tangible benefits for local residents into the future.

The games will have been a catalyst for well over \$1 billion worth of investment in infrastructure on the Gold Coast with a range of council and private sector projects being accelerated to be in time for the games. For example, the construction of sound stage 9 at Village Roadshow's Oxenford studios helped secure the filming of Marvel Studios' *Thor: Ragnarök*, a win-win for the games and the state. This venue will host the squash competition during the games but will also provide a lasting legacy for the Queensland film industry. As we know, every dollar invested in screen production in Queensland generates an impressive \$15 direct return to the Queensland economy.

The games will include the largest integrated sports program in Commonwealth Games history with some 18 sports and seven parasports being contested, including, as I mentioned earlier, beach volleyball for the first time. This will help attract the world's best athletes and increase the international spotlight on Queensland and the Gold Coast. There are opportunities to boost the Gold Coast and Queensland economy and for local businesses and jobs through raising awareness and facilitating access to business and procurement opportunities. This will help businesses, including Indigenous businesses, to be games ready, so they are competitive for contracts to supply goods and services to the games and other major projects; build infrastructure for the games which stimulates the construction industry and generates significant demand for local supplies and workers, which I saw firsthand at Coomera today with the 28 different Gold Coast firms subcontracted into that project; and market Queensland and strengthen the Gold Coast as a premier tourist and major event destination, including building a better customer service culture.

The Gold Coast can enhance its reputation locally, nationally and internationally by demonstrating innovative leadership in education and creative industries through the development of the Gold Coast Health and Knowledge Precinct, which is a key part of one of the legacies of the games. Our world-class venues are already attracting large-scale events such as the 2017 Badminton World Federation Sudirman Cup, the 2018 ITU World Triathlon Grand Final and World Championships and the 2020 World Bowls Championships.

When it comes to procurement, local businesses have been the biggest beneficiaries, with more than 90 per cent of all construction contracts being awarded to firms from the Gold Coast or South-East Queensland. We will also showcase sustainability by optimising public transport and ensuring leading environmental design and practices for event and infrastructure management.

We recently launched a new recruitment campaign to fill an extra 1,000 jobs working on the games. With less than two years to go there are still lots of opportunities for Queenslanders and Gold Coasters across a wide range of roles. Queensland can maximise the opportunities for the games through grassroots sports programs, regional engagement through a network of statewide working groups and pre-games training opportunities—which I would like to talk about later, if I can—and engaging 15,000 people in the volunteer program. There will be lots of ways to get involved in the games and share in the benefit of this genuinely once-in-a-generation event. Ultimately, the government is committed to ensuring that these games are delivered for the benefit of all Queenslanders.

Mr WHITING: Minister, you mentioned in passing about the majority of contracts going to South-East Queensland companies. With reference to page 3 of the SDS, departmental overview, can you please advise how the Commonwealth Games are providing opportunities for local businesses and employment in Queensland?

Mr HINCHLIFFE: I thank Mr Whiting for the question. The Gold Coast 2018 Commonwealth Games will be the biggest event in Australia for more than a decade, supporting up to 30,000 jobs and injecting more than \$2 billion into Queensland's economy, with indirect spending expected to contribute much more. The construction and upgrade of 18 world-class games competition venues will provide

significant economic benefits for Queenslanders through local procurement and employment opportunities. This \$320 million investment in sporting and community infrastructure will generate more than 1,000 full-time-equivalent jobs during the design and construction phase, and thousands more workers will benefit along the broader supply chain supporting these projects.

The Palaszczuk government and GOLDOC are strongly committed to local participation in the procurement process. For all major government infrastructure projects, including games venue projects, the Queensland Charter for Local Content provides the policy framework for local participation. The charter's objective is to maximise local content by providing capable local industry with full, fair and reasonable access to government procurement opportunities. The opportunity to work on world-class infrastructure projects will make it possible for many suppliers to upskill and gain valuable experience that will build local business capabilities for the future, and we are already seeing that as part of the games venues. All of these projects are also being delivered in conjunction with the Industry Capability Network, with a view to maximising local content and supply opportunities. This has meant that local businesses have been the biggest beneficiaries. In fact, as I have mentioned, more than 90 per cent of games construction contracts have been awarded to Queensland businesses. These projects are also delivering local jobs, with more than 6,700 men and women having so far played a role in the construction of games venues and the games village.

As of 1 July there were more than 1,000 workers employed across all of the venue and village sites. A business and industry portal provides a one-stop shop for businesses looking for games opportunities—I encourage anyone you know to have a look at that—allowing suppliers to easily search the forward procurement schedule for relevant opportunities. It also details upcoming information sessions, workshops and training to help Queensland businesses build their capacity. As part of my colleague Minister Enoch's Advancing Small Business Queensland Strategy, we are also looking at some enhancements to the portal and future resources to help businesses be 'games ready' when it comes time to winning procurement opportunities. So far businesses have shown that they are keen to get involved, with more than 3,190 firms having registered expressions of interest in games work packages as of 1 July. When it comes to GOLDOC contracts, about 88 per cent have been awarded to companies with a presence on the Gold Coast or in Queensland, which is great news for local businesses.

Amidst all of the numbers, there are lots of great individual stories of success in local businesses winning games work, creating jobs and providing fantastic training opportunities as well. Beenleigh Steel Fabrications hired an extra 12 staff to carry out work for the velodrome project here in Brisbane. Earlier this year I was delighted to announce that Helensvale firm Alder Constructions won the contract to upgrade the Gold Coast Hockey Centre, which is a project that supports 40 local jobs. Last month we saw the completion of the \$4 million Broadbeach Bowls Club upgrade, with more than 28 local companies working on stage 1 of that project and more than 250 workers playing a part in the construction. Robina based company Condev Construction secured work on the bowls club and other projects, while Yatala based Lifestyle Australia has won the contract to manufacture uniforms for the games.

While major construction contracts have now been let, there are some 180 contracts still to be awarded over the next 18 months in a few areas like catering, cleaning and security services, to name a few. There are lots of opportunities for Queensland businesses—and particularly Gold Coast businesses—to get involved and share in the benefits of this huge and terrific opportunity.

Mr PEGG: Minister, with reference to the SDS departmental overview on page 3, could you please advise of any efforts to spread the benefits of the Commonwealth Games beyond the Gold Coast and what benefits the Commonwealth Games will bring to the Brisbane and Logan regions?

Mr HINCHLIFFE: I thank Mr Pegg for the question. As the first Commonwealth Games to be held in a regional Australian city, the Gold Coast 2018 games are a unique opportunity for the Gold Coast, but we want to make sure there is an opportunity to spread that benefit across the rest of the state. Clearly, showcasing the strength and diversity of Queensland regions, including other event cities Townsville and Cairns—and we will call Brisbane a region for the moment—to the world is a big part of the event. As I have mentioned, it is the largest event being hosted in Australia this decade. It is also, very significantly, the largest event to be held in Queensland for 30 years. I am committed to working with our regions to realise opportunities in the lead-up to, during and after the games.

There will be opportunities across a wide range of program areas, including the games Arts and Culture Program, the Queen's Baton Relay, pre-event training, the global education program for schools—and of course there will be some spinoff benefits in tourism, trade and investment as well.

While the Gold Coast will host the majority of games competitions, track, cycling and shooting will be contested in Brisbane and the preliminary rounds of men's and women's basketball matches will be held in Townsville and Cairns. As part of this, the government has allocated \$1 million for regional venue upgrades, including the Townsville entertainment centre and the Cairns entertainment centre. In addition, planning is currently being undertaken for the Arts and Culture Program, which will include activities in event cities designed to engage students around the games experience.

With less than two years to go until the Commonwealth Games, I am determined to work with all Queensland communities to ensure we do spread those benefits across the state. To maximise those opportunities, a range of statewide working groups have been established throughout Queensland to identify region-specific initiatives and activities to ensure long-term legacy benefits from the games. The local expertise and enthusiasm provided by embracing 2018 statewide working groups is integral to achieving positive outcomes. That is why the Office of the Commonwealth Games will be working with the Department of State Development over the coming months to assist working groups to identify opportunities and projects in their regions. As part of the games Arts and Culture Program we will work closely with Brisbane, Townsville and Cairns to ensure that visitors to those event cities will experience the very best of local culture, food and lifestyle at games time.

You asked specifically about games benefits to the Logan region. There is an interesting insight into how we are seeing the games be a catalyst for a range of activities. You might be interested to know that Queensland Rugby Union is using Rugby and the games to promote community cohesion and pride and help Pacific Islander communities in the Logan area lead more healthy and active lifestyles. The Pacific Islander Community Engagement Project is a games legacy project that builds on the success of existing QRU programs with Indigenous communities. As Rugby Sevens is part of the games program, the program represents an opportunity to engage this Rugby mad community—as I know Mr Pegg is very aware—and improve the sustainability of local sport at grassroots levels. Teams from across the city have competed in a number of Logan Rugby Sevens tournaments held at the Logan Rugby Club, and these have been attended by Reds players who have since gone on to be Wallabies: Ben Tapuai and Samu Kerevi. The next tournament will be held in August, coinciding with the Queensland government's multicultural month.

The program has also rolled out practical activities like school attendance programs, Pasifika youth forums and personal development and training courses under the Queensland government's Skilling Queenslanders for Work program. They have all proved to be very successful. It is a terrific example of the way in which these legacy programs can reach into places that you would not have expected. I want to recognise that the member for Logan, who could not join the committee today because of his illness, was particularly interested in how this program is reaching into those communities in the Logan area, so I want to acknowledge his interest in this matter.

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

Mr MOLHOEK: Minister, thank you for your interest and your frequent visits to the Gold Coast in terms of the games. I think the last time I asked you a question was about the involvement of Paul Broughton and Roy Miller at a very public forum in the early days. Minister, my question is with regard to the arrangements at the Gold Coast Hockey Centre. My concern is that there were early commitments made by my predecessor, the previous member for Southport, and ongoing representations made to the Labrador Hockey Club about there being no disadvantage through the new facility. In an earlier question to your office I think the response was that it was a matter for council.

Minister, is it possible that you or CEO Mark Peters could undertake some role of advocacy with council to ensure the interests of Labrador hockey are not diminished? This club has great legacy. They have run a lot of junior development over probably 30 or 40 years at very little cost to what is probably one of the struggling areas of the Gold Coast in terms of the socio-economic profile, and I am very concerned that a lot of kids are going to miss out. My appeal to you is that you would advocate through council and through GOLDOC to make sure they are not disadvantaged.

Mr HINCHLIFFE: I thank Mr Molhoek for the question. I know of his ongoing interest in the club. I want to get it clear up-front that this is not an area that I want to burden Mr Peters with, because his role and GOLDOC's role is about delivering the games and games activities. For the benefit of the committee, let me talk through the background of the issues around the hockey venue to put this into context, and then I will answer your question.

The upgrade of the Gold Coast Hockey Centre which is being undertaken for the games includes the upgrading and expansion of shared amenities that will not only benefit the sport of hockey on the Gold Coast but also help attract major competitions and international training camps long after the games are over. I am very aware that the Labrador Hockey Club launched an online petition in May this

year raising concerns about its future operation. Games partners negotiated extensively with the two groups that lease the facility—the Labrador Hockey Club and the Gold Coast Hockey Association—in planning the significant upgrades that are required for international competition. The Gold Coast Hockey Management Group, which includes representation from the Gold Coast Hockey Association, the Labrador Hockey Club and Hockey Queensland, has been established to provide a management framework that ensures a sustainable facility for both organisations to share and, very importantly, to foster the sport of hockey on the Gold Coast.

Ultimately, as owner of the facility, the City of the Gold Coast is continuing to work with all of those partners—the Gold Coast Hockey Association, the Labrador Hockey Club and Hockey Queensland—about future tenure arrangements at the Gold Coast Hockey Centre. I am happy to express and pass on to Mayor Tom Tate and indeed the team at the City of the Gold Coast the concerns that have been raised here around ensuring that those arrangements are landed upon in a way that meets the needs of the broader hockey community on the coast.

By that, I make clear that I mean not only the elite opportunities but also the club and grassroots opportunities that groups such as Labrador Hockey Club clearly are a key part of. It was great to see, in the opportunities I had to visit the Gold Coast Hockey Centre, local products from the Labrador Hockey Club go through the ranks and have that opportunity to be prospective Australian team members of either the men's or the women's team at the 2018 Games. To think that they might have a chance in effect to compete on their home field is a great opportunity. I do not want to see the challenge of local sport diminish through local sport politics and lose that connectivity to this terrific facility in terms of the future of hockey on the coast. Speaking as someone who has served on the board of my local basketball association and who has been a delegate to Basketball Queensland conferences and so forth, there are all sorts of issues among a local club, association, a state body and the national bodies that must be challenged and juggled. I can assure you that all of the Games partners including the City of the Gold Coast are being honest brokers in this in terms of how this operates and goes forward.

Mr MOLHOEK: I appreciate those comments. The challenge is that this hockey club has a grassroots history and a heartbeat that they have cobbled together through volunteer resources and amazing community support in terms of an artificial surface that they have lost and a training field of their own. The risk is that it is going to make hockey in the future unaffordable for kids. I just leave it with that comment. Their concern is that the changes will put it out of the price range of a lot of young kids.

Mr HINCHLIFFE: I appreciate the concern. The reality is that on that site there will be two fantastic international standard artificial pitches. There also will be a grass pitch that will serve the needs, literally, of grassroots hockey as well. That is a great opportunity for that club to access those facilities and the other redeveloped facilities that are part of the centre. Let me assure you that those needs and the history of the Labrador Hockey Club is not lost and not out of the eyes of the games partners, including the City of the Gold Coast.

Mr COSTIGAN: In relation to the basketball program for North Queensland, what is the construction timetable for the refurbishment of the two venues in Cairns and Townsville?

Ms Houghton: The basketball events in Cairns and Townsville do not include any planned permanent upgrade. It is all overlay that will happen at the two sites where the basketball events are played for that five-day period.

Mr COSTIGAN: What is the cost of that overlay?

Ms Houghton: The overlay budget for venues is not being administered by the state: it is being administered by the organising committee, GOLDOC.

Mr Peters: Presently, we are in discussions with Cairns and Townsville about the overlay work required. It is not just about the overlay for the field of play: it is also about overlay around the two venues to do with a number of functions, from movement of different people in and out of the venues to anti-doping to catering, et cetera. There have been good discussions with both city councils around city operations, because some of the temporary overlay goes into transport and security as well. They are part of the ongoing discussions to ensure we get the most cost-effective way of running a Games in the basketball competition in those two venues.

Mr LANGBROEK: I return now to page 27 of the SDS and the services objective to plan, organise and deliver the Gold Coast 2018 Commonwealth Games. In terms of the minister's answer about contracts and about 90 per cent of them being awarded to Queensland companies, can the minister provide from a Queensland perspective—and you also mentioned the Gold Coast company—the percentage of money that they are getting as opposed to the percentage of contracts?

Mr HINCHLIFFE: I am sure we will be able to by the end of the session.

Mr LANGBROEK: Thank you. I refer to revenue targets and to page 29 of the SDS, the income statement. How much revenue has been generated to date as part of the Games revenue?

Mr HINCHLIFFE: In its latest review of games progress, the Commonwealth Games Federation said that the Gold Coast Games are ahead of previous Commonwealth Games in terms of financial preparation. Sponsorship revenue cannot be disclosed as these figures are commercial-in-confidence, but in terms of the number of sponsors and contracted revenue we are ahead of Glasgow 2014 and Melbourne 2006 at the same point in the sponsorship program. Of course, we face some significant sponsor competition at the moment from the Rio Olympic Games but, when it is over, sponsors will look for the next big opportunity and this will be the biggest event in Australia this decade. That is one reason why we changed the leadership of GOLDOC, namely, for GOLDOC chair Peter Beattie to be in a very effective position to garner, attract and pursue corporate sponsorship for the games.

Mr LANGBROEK: Are you able to give a combined total for revenue without singling out or separating sponsorship?

Mr HINCHLIFFE: In effect that is a question for GOLDOC, so I will direct that to Mr Peters if that is okay?

Mr Peters: At this stage in terms of broadcast and sponsorship revenues, which are the key revenues—and later on ticketing and licensing once those programs are put in place—we have achieved 42 per cent of our revenue target.

Mr LANGBROEK: You just mentioned that our targets for 30 June 2016 are ahead of other Games; that the target revenue goal for 2016-17 should be easier to meet once events such as the Rio Olympics are over and that a new chair is an important part of this?

Mr HINCHLIFFE: Absolutely.

Mr LANGBROEK: Who is ultimately response for revenue generation between now and the start of the Games? Is it a GOLDOC responsibility?

Mr HINCHLIFFE: Among the different groups of partners that are part of delivering these games for the community and for the state, that is the primarily GOLDOC's role.

Mr LANGBROEK: I refer to resources for drug testing by WADA. It has been a significant issue most recently at the Olympic level, but what about any potential improvements or anticipated enhancements for our Commonwealth Games?

Mr Peters: We have nearly finalised discussions with the Australian Sports Drug Agency, the principal body responsible for anti-doping testing in Australia. It also is the key group that works with the World Anti-Doping Authority. Two initiatives will come from that: the movement at the moment in testing of athletes is on intelligence testing and testing more athletes leading into a games. In the last budget the federal government announced a \$1.5 million commitment over two years to test not only Australian athletes but also international athletes in countries that will participate in our games on the basis that it is better to be in front of the game rather than finding out about athletes once they arrive. For a number of months now we have held discussions with ASADA on the basis that they will be the outsourced organisation that delivers our anti-doping program during the games. That has been a really positive discussion and relationship and we hope to have that finalised in the next couple of months.

Mr LANGBROEK: My next question concerns security measures. In light of recent international incidents, what contingencies are in place in terms of additional threats to the games, acknowledging the sensitive nature of such a query?

Mr Peters: When we put the bid together, considerations around security were at a medium alert. We now are at high, which in the terminology is 'probable'. Early on in the organising committee's existence we engaged a head of security and a number of people to support that person. Importantly, we have established a security and safety executive committee that has the Queensland Police on it as a key player in this. The Australian Federal Police and all of the national agencies are a key part of the discussions and the intelligence from around the world. In the worrying times we live in, we have the most expert people we can draw together to receive intelligence and best practice from overseas, and we continue to plan in that arena as there are three levels of security. The Australian government has border protection responsibilities, the Queensland Police has responsibilities around and outside of venues, and our responsibility is inside venues. This requires a number of private security people to be put in place and trained. It is a very set but not easy model, given the various information around. In these difficult times we are confident that we have the best people looking at what we need to do around the games to ensure safety and security is in place.

Mr LANGBROEK: I turn to the issue of beach volleyball and to the 18 sports to be played. In 2011, beach volleyball was included as an eligible sport for the Commonwealth Games but did not make the original final cut-off of included sports. What triggered the late addition?

Mr Peters: At the time we put in the bid book, beach volleyball was not on the international body's eligible list. Obviously for the Gold Coast it is a quintessential sport. We worked with the international body at that stage for their application to be put in, but on the day that we won the bid they were admitted as a sport. Since then, a number of representations were made to various governments and to the international body to go beyond the maximum 18 sports. At that stage, it required a constitutional change from the international body. In the first instance, it was rejected as an opportunity. There were issues around what it would cost to put it in, but the main one was that the international body would have to change its rules.

In recent times, we have had the international body write to us saying that they would like us to consider two things. One was the inclusion of beach volleyball and also the inclusion of 3 on 3 basketball. The government has been heavily involved in those discussions with the president of the international federation. The minister led those discussions to the point of the CGF saying that they do not have to go to a full vote of their members. They could, under a constitutional clause, include beach volleyball if Queensland and the Queensland government supported the sport being in. Those discussions reached the point of us looking at the budget implications of that and how we could fund the additional costs. Once we were able to convince the government that that was a viable option within our existing budgets as they stand at the moment, those negotiations were finalised and the minister had the final discussions with the president of the Commonwealth Games Federation and beach volleyball was admitted as a sport, which I think is good news for all of us and, particularly, the Gold Coast.

Mr LANGBROEK: We welcome it. It is more about finding out the information. You said that there would have to be a rule change internationally, which obviously was carried out. It is in the Durban 2022 games, as I understand it.

Mr Peters: Yes.

Mr LANGBROEK: Could you expand a bit more on what the rule change had to be for it to be given consideration by the CGF?

Mr Peters: When we bid for the games it was not an eligible sport. You have 10 compulsory sports and then you have a number of other sports that you can add into your program, to a maximum of 17 sports. We were not able to include beach volleyball and we had included our 17 sports in the bid book.

Mr LANGBROEK: Yes.

Mr Peters: The international federation needed to consider going above what their constitution allowed in terms of the number of sports. Initially they thought that would need a full vote of all of their members at a general assembly but, when they reviewed their legal opportunities around the constitution, that allowed them to, as an executive, respond to the minister and the government and say, 'We can add it in and we are prepared to do that.' When Durban bid, because beach volleyball was made an eligible sport the day we won the bid, they were able to put it in, so they put it in.

Mr HINCHLIFFE: They had it in and did not have another sport.

Mr LANGBROEK: Yes, I see. You mentioned the extra costs. I wonder if you could advise the committee about what the extra cost will be to the original plan budget—the extra costs of the facility, security, any of the costs associated with this 18th sport—and whether there is an issue about local sand at the venue as well.

Mr Peters: Perhaps I could deal with the last one. The international body is very particular about the sand quality. We are, as is the City of Gold Coast, very confident that the sand will be appropriate, but they have had instances, on beautiful-looking beaches, where they have had to bring the sand in. We need to go through the formality of testing the quality of the sand.

Mr LANGBROEK: How do you do that?

Mr Peters: I have not had that explanation, but I am sure there are experts in sand quality. Certainly, the City of Gold Coast has done this in some other events. We are confident that we will have a positive outcome.

Mr HINCHLIFFE: My understanding—

Mr LANGBROEK: A sieve?

Mr HINCHLIFFE: On talking to the International Volleyball Federation representatives they have special sieves that measure the nature of the sand.

Mr COSTIGAN: Minister, go to Whitehaven and check it out.

Mr HINCHLIFFE: We will not be needing to truck any down from the Whitsundays.

Mr MOLHOEK: As a former chair of finance for the Gold Coast council, I can assure you that the beaches get sieved every day. Ten years ago they were spending \$12 million a year sieving the beaches. I do not think we have too much to worry about.

Mr LANGBROEK: Sorry, we have interrupted you—a moment of levity in the last session of estimates.

CHAIR: And I have allowed it because it is a very interesting topic.

Mr MOLHOEK: Sand sieving.

Mr Peters: The overall cost of adding beach volleyball to the games is just over \$19 million. We expect to receive revenue back through sales of seats et cetera, which will leave us at this stage with a cost of around \$9 million—\$9.5 million or \$9.2 million. We are, as we say, value engineering now to look at how we fit the venue in. We are planning a 5,000-seat capacity at the moment. It may well be more economic for us to run a 4,000-seat-capacity stadium.

In terms of the main costs that you asked for, some of the costs are technology, because we need to be able to broadcast pictures live around the world. There is just over a \$2 million cost of getting the appropriate facilities in to run live broadcasts out of that site. In terms of transport, as you would be aware, we will need to provide opportunities for people to move particularly from the north and central Gold Coast down to Coolangatta. The addition of shuttle buses et cetera has a cost associated of about \$1.5 million. We will need to bring extra staff on to run a venue. Those costs, in terms of paid staff, volunteers that need outfitting et cetera, are in the order of around \$1.8 million. Security costs sit at just under \$1 million at the moment. Our security people are working very hard. One of the questions in their present plan is to have the practice courts up on hard stand. There may be an opportunity to put those practice courts on the beach, which will save overlay costs, but we will then have security costs of how you guard against water entry et cetera. That is a lot of the work that we are going through at the moment. Then we come into overlay—all the temporary tents, fencing et cetera, to move athletes and spectators safely—and the catering that needs to be put in place to a site that is just an open site at the moment. They are the key parts of, I would say, the cost of putting the volleyball together.

CHAIR: We will now move to the member for Stretton.

Mr PEGG: My question is to minister. The Gold Coast regional action plan in the budget refers to a range of broader government measures and projects designed to support the Commonwealth Games. Can you update the committee on these initiatives?

Mr HINCHLIFFE: The Gold Coast region continues to attract growing numbers of international visitors, while the economy is also continuing to diversify in the lead-up to hosting the 2018 Commonwealth Games. We know that we have more work to do to support the games and foster ongoing growth in the region and ensure that the provision of essential economic infrastructure and services continues to meet the demands of the Gold Coast's rapidly growing population.

This is why the Palaszczuk government is funding infrastructure improvements in this year's budget which are estimated to support some 3,000 jobs in the region. As part of this, the 2016-17 budget delivers an additional \$62.9 million to widen and improve major Gold Coast roads in preparation for the games at a cost of some \$160.7 million, as I mentioned to the committee earlier.

The budget also allocates \$104.4 million in 2016-17, out of a \$163.2 million total spend, to duplicate the Gold Coast line from Coomera to Helensvale station. The \$420 million stage 2 of the Gold Coast Light Rail project will extend the network to Helensvale and make that connection to the heavy rail station, creating a seamless single transfer journey between Brisbane and the Gold Coast.

The Gold Coast Light Rail extension will help ease road congestion and deliver new capacity for the transport network to cater for the population growth on the Gold Coast as well as games-time movements. It will also improve regional connectivity by integrating public transport options and providing customers with easy transfer between light rail, heavy rail and bus. In fact, we think it is probably one of the only places in the world where there is a single, seamless connection between rail, bus and light rail.

Major construction activity is expected to commence in the second half of 2016 and is expected to be fully operational by April 2018. The project will drive employment and local industry participation over the coming months and years, providing a lasting legacy for Gold Coast residents.

You can see that the Palaszczuk government is committed to delivering for the coast. It is also why we saw things like the community cabinet being held there in May, which no doubt the member for Southport was pleased to attend. It is a great opportunity for lasting benefits and a lasting legacy to be delivered for the coast.

CHAIR: Budget Paper No. 3 refers to capital purchases and grants. I know that earlier we discussed the games venues, in particular Carrara. I understand that there are others that may be finished. I was wondering if you could give us an update on the progress of the venues in general.

Mr HINCHLIFFE: I can do a bit of a run around the venues for you. Funding for games venues is administered by the Department of Tourism, Major Events, Small Business and the Commonwealth Games and split between capital grants of some \$262.1 million and equity funding for property, plant and equipment of some \$65 million. As the Capital Statement notes, in the 2016-17 budget, total capital purchases for TEBB in 2016-17 are \$11.7 million, with \$83.3 million in capital grants. In addition, the Games Village, or the Parklands development, is a \$550 million project, with a state contribution of some \$264 million. It is administered by the Department of Infrastructure, Local Government and Planning. In this year's budget, \$59.4 million is allocated to DILGP for the Games Village. Again, I can assure the committee that the delivery of the games venue is on track for completion well ahead of the games.

Overall, the 2018 Commonwealth Games is expected to provide an economic boost, as I have mentioned a couple of times, for Queensland of more than \$2 billion. I have also mentioned that we are committed to delivering that \$320 million Commonwealth Games infrastructure budget for games venues and facilities. I am pleased to report that all competition venues are scheduled to be completed 12 months to 18 months ahead of the games.

The Queensland government has an excellent program management team within the Department of State Development. I take this opportunity to thank them for the great work they have been doing in partnership with TEBB, which is working closely with experienced contractors to deliver these major projects.

As part of the Capital Works Program, the games will be hosted across 18 world-class competition venues located on the Gold Coast and at Brisbane, Cairns and Townsville. In preparation for the games, the government will deliver three new venues and one multipurpose venue as well as undertake major upgrades to a further seven venues to provide a legacy of world-class sporting and community facilities for South-East Queensland.

Already, an upgrade of the \$41.4 million Gold Coast Aquatic Centre has been completed. Work is progressing on the \$103.1 million Carrara Sports and Leisure Centre, which we discussed earlier; the \$39.9 million Coomera Indoor Sports Centre, which I was at today; and the \$59.6 million Queensland State Velodrome, being near completion in Chandler. Construction is progressing well at the Games Village at Parklands, with the full site scheduled for completion in late 2017. This project alone will inject an estimated \$550 million into the local economy over five years and create up to 1,500 full-time-equivalent jobs during design and construction.

Also, in May I opened the 4,000-square-metre super sound stage at Village Roadshow in Oxenford which, as I mentioned earlier, will host squash events during the games. This \$15.5 million sound stage will bring many tourism and economic benefits to the state, including those I mentioned earlier around *Thor*. Also in May, the Premier and I announced, as we have discussed, that Coolangatta has been chosen to host the beach volleyball competition—the first beach volleyball competition in Commonwealth Games history. We have heard already about the temporary stadium that will be built at Queen Elizabeth Park overlooking the beach, which will really maximise the opportunity to ensure the view of the city skyline and Coolangatta's surf being centre stage alongside the high-energy beach volleyball competition when it kicks off.

CHAIR: Very exciting. Thank you, Minister.

Mr WHITING: Thank you, Mr Chair. With reference to the departmental overview on page 3 of the SDS, can the minister update the committee on the games volunteer program?

Mr HINCHLIFFE: The Palaszczuk government is committed to delivering a great and very memorable games. This will require the energy, enthusiasm and friendliness of some 15,000 volunteers to help deliver a great event. Community and sporting groups will have much to contribute. It is hoped that many volunteers will be found among their ranks across the state.

There may be opportunities in relation to the training and resourcing of volunteers required for competition sports, including for sporting events and activities pre and post games. In addition, the games offer the opportunities for sporting associations to build capacity, providing valuable and elite-level match experience for officials and significant benefits for their sport into the future.

While the games volunteers program is currently under development, individuals and organisations can register their interest and be kept up to date with all relevant information. That is available through GOLDOC's website at www.gc2018.com. I encourage all members of the committee who are intending to volunteer to register there. The volunteer recruitment program will begin in February 2017. Because this is such a significant and massive event, there will be a wide range of roles and skills that will be required. We will be looking for a wide variety of backgrounds, ages and cultures to contribute. But most importantly, we want those volunteers to be great ambassadors for the Gold Coast, Queensland and Australia. They will be the friendly faces that will help make the visitor experience and holiday memorable for so many people so that they then not only enjoy the games time but want to return and talk about how great it was on the Gold Coast in 2018 to all their friends, family and associates into the future.

Outside the Gold Coast we have cycling and shooting being staged in Brisbane and, as we have mentioned, basketball in Cairns and Townsville creating opportunities for volunteers not just on the Gold Coast but across the state. I get asked a lot what are the different sorts of roles volunteers will play. They will range from drivers through to medical staff through to meeters and greeters out in the approaches to venues and people to help way finding and directing people.

Finally, I want to make note for the committee's advice, and I know this was mentioned to one of the other estimates committees by my colleague the Minister for Training and Skills when she outlined it in her estimates hearing last week, that to ensure that all recruits are truly games ready TAFE Queensland has signed on as the official games training partner. As part of the arrangement, TAFE Queensland will deliver practical training to thousands of volunteers and support the delivery of this massive event. This will provide 15,000 games volunteers with not only the best outcome for delivering a great Games and a great Games experience but also with transferable skills and future opportunities to gain accreditation and employability. In fact, also the ability to contribute as volunteers to other future events on the Gold Coast and other parts of Queensland into the future.

Mr PEGG: With reference to the SDS Departmental Overview page 3, and linkages with the tourism events side of the DTESB portfolio, can the minister advise of any efforts to encourage athletes to train in Queensland ahead of the games and to attract other sporting events before and after the Games?

Mr HINCHLIFFE: As I mentioned before, as the first Commonwealth Games to be held in a regional Australian city, the Gold Coast 2018 Commonwealth Games provides a great opportunity to showcase our regions. One of the best ways to achieve this is to encourage Australian and Commonwealth Games athletes and teams to train here in Queensland before the Commonwealth Games. To that end, the government is working with games partners and regions to promote pre-event training opportunities across Queensland and help match interested international teams to suitable elite facilities around the state. One of the things we do enjoy right across the state is very high-quality facilities across a range of parts of the state. We want to try to do that to maximise the benefits to the whole of Queensland.

The Office of Commonwealth Games has been working with regions across Queensland to identify suitable training facilities to host potential training camps. They are listed on the Embracing 2018 website. I encourage you to go and have a look at that. We are also working closely with national sporting bodies on potential camps in Queensland. So far I am delighted that Wales and the Isle of Man have committed to pre-training camps on the Sunshine Coast. We anticipate that following the Rio Olympics countries will start to focus more on the Commonwealth Games and start making pre-event training decisions. Just for members of the committee's interest, while this is different in Australia, in the vast majority of countries games associations are also the Olympic committees for those countries. Getting beyond the Rio Games will be a key milestone in a lot of their minds. They will then start to think about how they will be preparing for 2018. It is an important stage in the very near future that we engage further with those associations. We are not just waiting for that. Several countries and teams have already visited Queensland to look at potential pre-games training venues. I am very confident that we will have a number of announcements to make in this space over the coming months.

Beach volleyball information has recently been included in an update of the *Train, Play and Stay* electronic flipbook, which is an information resource encouraging Commonwealth nations and teams to train in Queensland prior to the Commonwealth Games. I took several copies of this with me on my

recent ministerial visit to the UK where I had the opportunity to meet with the Commonwealth Games Associations and senior sports officials to promote pre-games training opportunities in Queensland. I seek leave through you, Chair, to table a copy. I must apologise. I only have one copy of the booklet, although it is available electronically as well for the benefit of members.

CHAIR: Leave is granted.

Mr HINCHLIFFE: This resource will be distributed to Commonwealth Games associations across the 71 nations and territories and throughout the Commonwealth and, with the assistance also of the Australian Department of Foreign Affairs and Trade, following the Rio Olympics. The Palaszczuk government is determined to maximise the benefits for Queensland from hosting the Commonwealth Games. Attracting international teams to Queensland for training before the event will provide an additional boost to local economies and highlight those great facilities and tourism destinations that we have across this great state.

On top of this, the venues program is generating economic stimulus across a range of areas, but with competition venues on track to be delivered 12 months ahead of time, that means those venues themselves can play a part in allowing teams who might want to come to Queensland for pre-games training opportunities to get access to the venues themselves.

This world-class infrastructure is already seeing Queensland secure a number of major sporting events both in the lead-up to and after the games. We have already hosted the 2016 World Junior Championships of lawn bowls at the Broadbeach Bowls Club, the 2014 Pan Pacific Championships and the 2015 FINA Diving Grand Prix at the Gold Coast Aquatic Centre. We have locked into the pipeline, looking forward as I mentioned earlier, the 2017 Badminton World Federation Sudirman Cup, the 2017 Commonwealth Weightlifting Championships at Carrara Sports and Leisure Centre, the 2018 ITU World Triathlon Series Grand Final and World Championships on the Gold Coast and the 2017-18 Subaru Cycling Elite and Under 19 Track National Championships at the velodrome that is under construction in Brisbane, just to name a few. We are looking to build on that and other tremendous events that are happening in the near future, including the World Rugby League Cup being hosted in part here in Queensland.

CHAIR: I will throw over to the member for Surfers Paradise, being mindful we might give the minister a few minutes to answer any questions on notice.

Mr HINCHLIFFE: There are a couple of outstanding things if you want me to deal with them first.

CHAIR: Yes.

Mr HINCHLIFFE: There was something that the director-general was going to deal with in terms of the budget.

Ms Houghton: To come back to the budget in answer to the member's question, the budget for the Office of Commonwealth Games in 2015-16 was \$171 million and then the actual spend was \$135 million.

Mr HINCHLIFFE: The other matter that Mr Langbroek was asking about earlier was to specify out the dollar values of contracts that had been awarded to companies from different parts of the state and locally. I am advised to date that of the \$458 million in construction contracts, which includes games venues and the games village, that have been awarded, of these \$209 million have gone to Gold Coast contractors and \$203 million to South-East Queensland businesses. That was as of 1 June 2016.

Mr LANGBROEK: Thanks, Minister. Can I ask the director-general, when we look at the Controlled Income Statement at page 16 of the SDS, you have just given us the anticipated budget for 2016-17 \$185 million. Is there any KPI for revenue? There is none in the income statement.

Ms Houghton: Not for the department. Do you mind if I take the opportunity to give a point of clarification to the member for Whitsunday on his question around those venues?

Mr LANGBROEK: Sure.

Ms Houghton: There is not expected to be any permanent works. However, the government does have a budget of a million dollars in case we end up in a position where we do need permanent works for the two venues in Cairns and Townsville that are hosting the basketball.

Mr HINCHLIFFE: To be clear, along the way, although that is not from that level of budget, there were works done particularly at the Cairns Entertainment Centre in terms of the new roof which has provided a benefit and will ensure that it remains being a top quality venue for the delivery of the Games as a Games venue.

Mr COSTIGAN: Thank you, Minister.

Mr LANGBROEK: Can I also ask the director-general about the proportion of the budget—from the Controlled Income Statement again—which is \$231 million for 2016-17, the proportion which is \$180 million for the 61 staff leaving 40 staff with the rest of it. If you look at page 16 of the Controlled Income Statement you have just advised us that the Office of Commonwealth Games is \$185 million and I am just wondering about that proportion of the total income which is \$231 million. That is also for small business services.

Ms Houghton: And for tourism.

Mr LANGBROEK: Thanks very much. Finally, can the CEO of GOLDOC advise how many countries of the Commonwealth family of 71 do we anticipate will be playing beach volleyball? Is there any advice from their federation?

Mr Peters: At the moment the international federation are working through what the qualifications will be. One of the difficulties around a Commonwealth Games is where in an Olympics you will have the British team compete, so Wales, Scotland, Northern Ireland, England will actually combine into one team, so the normal way that championships and qualifications are conducted for an Olympic Games and world championships is you have one team. For a Commonwealth Games, of course, all of those individual countries compete in their own right. At the moment the international federation is looking at how they set a qualification system up because we need to break that British isles up into different competitions.

At the moment we are looking at a set number of teams. There will be qualifications then around the world and the idea is that each of the regions are actually represented in the Games. That is a discussion we started two months ago with the international federation and they are working through how they put that worldwide qualification system together.

Mr LANGBROEK: Normally of the Commonwealth countries would you expect 12 to 15 countries?

Mr Peters: When we did the first proposal we were looking at 16 women's teams and 16 men's teams to be part of the competition.

Mr MOLHOEK: Any plans to put a roof on the Gold Coast Aquatic Centre for the Games?

Mr HINCHLIFFE: The short answer is no. The longer answer is that it is the City of Gold Coast's asset and what they want to do in the longer term is up to them. In cooperation with the City of Gold Coast the plan had always been for that facility to be a pool in the park. It is an open-air venue in a spectacular location. It is a spectacular opportunity to tell and sell the story of the Gold Coast to the world. When you are enjoying the Australian team competing at the Rio Games they will be doing that in an open-air pool. The divers will be doing that in an open-air pool. It is not a new thing at international and indeed Olympic and Commonwealth Games events for pools to be in an open-air location. This is the basis on which we agreed to upgrade those facilities with the City of Gold Coast to deliver a pool in a park which is a beautiful contribution to the local community. Whenever I am down at the coast, and I am sure you have the same experience, whenever you go past that facility you see it packed full of people. It is always being utilised. It would not be the same experience, I think, if it had a great big tin roof over the top.

CHAIR: The time allocated for consideration of the proposed expenditure for this area of responsibility administered by the Minister for Transport and the Commonwealth Games has expired. Minister, any final words?

Mr HINCHLIFFE: Thank you. If I can thank you, Chair, and thank the committee for their time and their questions this afternoon and evening. I again thank the opposition for their longstanding bipartisan approach to the Games. I know that they understand the importance of parking the politics on these sorts of things and delivering for the Gold Coast and making sure that it and the whole of Queensland shines for the world at this significant event.

I also want to place on record my thanks to the department and to GOLDOC staff for their time and energy in preparing for today's hearing. My thanks particularly to Megan Houghton and Damien Walker from the department. Thanks to Mark Peters and the entire GOLDOC staff, including Borobi who no doubt helped where he could. Thanks also to my office. In particular, Chair, in closing this very final hearing of the two weeks of estimates, I want to very clearly thank every single one of the close to 350 staff who are working tirelessly to deliver the Commonwealth Games in 2018. They are amongst the most dedicated and professional and determined bunch of people and they will be the ones who, with more who join them over time, deliver a great Games for Queensland. We will be with them every step of the way. I know the whole committee would join me in thanking them.

CHAIR: I remind you the deadline for questions and clarifying material taken on notice during the previous session is 5 pm Monday, 1 August. On behalf of the committee, Minister, I thank you, directors-general and officials. That completes the committee's hearings into the matters referred to it by the parliament. Before I conclude, also on behalf of the committee I thank Hansard staff, the secretariat and all the attendants for their assistance. I declare this public hearing closed.

Committee adjourned at 6.01 pm