

TUESDAY, 14 JULY 2009

ESTIMATES COMMITTEE A—LEGISLATIVE ASSEMBLY

Estimate Committee A Members

Mr SD Finn (Chair)
Mrs JM Attwood
Mrs BM Kiernan
Mr J-P H Langbroek
Mr TJ Nicholls
Mr KG Shine
Mrs JA Stuckey

In Attendance

Hon. RJ Mickel, Speaker
Mr N Laurie, Clerk of the Parliament
Mr M Ries, Deputy Clerk
Mr M Hickey, Director of Corporate and House Services
Mr C Atkinson, Manager, Financial and Administrative Services

Committee met at 8.30 am

CHAIR: Good morning, Mr Speaker. Welcome to your first estimates committee in the role of Speaker. I declare this meeting of Estimates Committee A now open. Can I start first by acknowledging the traditional owners of the land on which this hearing is taking place today.

My name is Simon Finn. I am the member for Yeerongpilly and the chair of this committee. Joining me on the committee are: Mr John-Paul Langbroek, the member for Surfers Paradise and deputy chair; Mrs Betty Kiernan, the member for Mount Isa; Mrs Julie Attwood, the member for Mount Ommaney; Mr Kerry Shine, the member for Toowoomba North; Mr Tim Nicholls, the member for Clayfield; and Mrs Jann Stuckey, the member for Currumbin.

The committee will examine the proposed expenditure contained in the Appropriation (Parliament) Bill 2009 for the Legislative Assembly and the Appropriation Bill 2009 for the portfolios of the Premier and Minister for the Arts, the Treasurer and Minister for Employment and Economic Development, and the Minister for Public Works and Information and Communication Technology. We will examine the estimates in that order.

The proceedings today are lawful proceedings subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 206.

In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography during my introduction and the opening statements by Mr Speaker and ministers. The committee has also agreed to the live broadcast of the hearing via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. Before we begin, can I ask that all mobile phones be switched off.

The first item for consideration is the estimates for the Legislative Assembly. I welcome you, Mr Speaker, and your advisers. The committee will examine estimates for the Legislative Assembly until 9.30 am. The time limit for questions is one minute and there is three minutes for answers. A warning bell will chime 15 seconds before time runs out. An extension of time may be given with the consent of

the questioner. For the benefit of Hansard, I ask advisers if you are called to give an answer to please state your name before speaking. I now declare the proposed expenditure for the Legislative Assembly open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Mr Speaker, would you care to make an opening statement?

Mr SPEAKER: Thank you, Mr Chairman. The 2009-10 budget estimates for the parliament are the first for which I am responsible as Speaker of the Legislative Assembly of Queensland, and I feel honoured to appear before the committee today. As committee members would be aware, the Appropriation (Parliament) Bill seeks to provide funding for salaries and allowances for members of the Legislative Assembly and funding for the Parliamentary Service, which provides administrative and support services to the Legislative Assembly.

The total appropriation sought for the parliament in 2009-10 is \$68.624 million, an increase of \$4.069 million over last year's appropriation. This increase is required primarily to meet enterprise bargaining salary increases for staff, a number of electorate office relocations required as a result of the 2008 electoral redistribution, replacement of computer equipment, increased electorate office leasing costs and also the restructure of the parliamentary committee system.

As Speaker of the Legislative Assembly of Queensland I have responsibility for preparing the budget for the parliament and supervising the management of the Parliamentary Service. The year just completed presented a number significant challenges for the Parliamentary Service. At the beginning of the year the service set itself an ambiguous work program which included: playing a lead role in delivering a number of community engagement activities such as the swearing in of the new Governor and a regional sitting of the parliament in Far North Queensland; the implementation of a range of security recommendations arising out of the electorate office security review; and a number of capital works projects within the parliamentary precinct.

The calling of an election for 21 March 2009 impacted upon some of the planned work program as the service's attention turned to managing the administrative arrangements for the election, the electoral distribution, the induction of new members and the opening of parliament. Under the stewardship of the Clerk, the Parliamentary Service was able to adjust its priorities to deliver the most important projects on time and on budget.

Looking ahead to 2009-10, the service will focus on completing a number of projects originally planned for completion in 2008-09 and also on delivering a number of new initiatives including introducing a new parliamentary committee system and planning and delivering a range of community activities associated with the 150th anniversary of the Queensland parliament in 2010.

Since my appointment as Speaker on 21 April this year, I have gained an insight and new appreciation of the extent to which the parliament and the Parliamentary Service engages with the community. Over the last 10 years, the parliament has become progressively more accessible to the community in a variety of ways such as the broadcast of parliamentary proceedings over the internet, the introduction of electronic petitioning and regional sittings of the parliament.

There have also been many people attending the precinct itself, with over 50,000 function patrons, 17,000 school students, 8,000 general tour patrons and 3,000 parliamentary education program attendees each year. I understand that 76,000 security scans have been conducted.

Today we are seeing the parliament's community engagement in action. Immediately after this hearing the parliament is hosting a special high tea called 'Tea and Talks', which celebrates the election of Irene Longman, the first woman to be elected to the Queensland parliament years ago. Profits from the event are being donated to the Pyjama Foundation, whose aim is to transform the lives of children in foster care through literacy.

Over my coming term as Speaker the key priority will be to ensure that the parliament lives within its means and strives to deliver value for the money provided to carry out its important role and perform its various functions. Also, I will be seeking to ensure that the parliament continues to be one that engages with the community and that this is translated into practice through specific community engagement activities, particularly in terms of our multicultural community and our schoolchildren.

In closing, I wish to acknowledge both sides of the House and members individually for their support and cooperation in matters relating to the function of the parliament, both inside and outside the chamber. I remain cognisant of the need to consult with and receive input from members generally on matters affecting them and the operation of their place of work, which encompasses not just the actual Legislative Assembly but also the parliamentary precinct and members' electorate offices. Mr Chairman, I wish the committee well in its deliberations and, of course, I look forward to comments and questions which committee members might have.

CHAIR: Thank you, Mr Speaker. It is now time for non-government questions. I call the member for Surfers Paradise.

Mr LANGBROEK: I welcome Mr Speaker and all the parliamentary staff—those familiar faces. It is nice to see you here early this morning. Mr Speaker, my first question is about security matters. The answer to question on notice No. 1 for Estimates Committee A relates to the security upgrades. I note in the answer that mention was made of the fact that the election campaign interrupted this work. I note that, of the 94 electorate offices, only 11 have had their required counter works performed and 71 are still waiting. Will you undertake to treat this as a matter of urgency and report back to the parliament on this six months from today's date?

Mr SPEAKER: I thank you for that question. I should preface it by saying that committee members would understand that, with the election called when it was, there was a view within the Parliamentary Service that we did not want to disrupt electorate offices because of the election. Accordingly, some of that work was deferred while that happened. The advice I have is that this work will be completed by 31 December 2009.

Can I make this general statement because it is important for longstanding members, including my own staff. There was a view held that members could get involved in treating their own security arrangements as per their own requirements. Clearly the work carried out by the Electorate Office Security Working Group found—and if it is okay with the committee I would like to quote this—

The application of some discretion in these matters—

that is security matters—

reflects, in part, the fact that many Members and staff held (prior to the Cook incident at least) different views on the extent to which security should dictate electorate office accommodation and operations.

The committee recognised the disparate views held by different members and their staff in relation to this. However, the group believed that 'the Parliamentary Service can no longer allow members and staff discretion in security related matters associated with electorate office fitouts'.

That is a message that I would like to extend to all members. I know from some discussions I have had with some of the committee members that some office staff feel that they have the experience to deal with a whole range of matters. The clear message I want to send to everyone today is, notwithstanding that view, there is a need for commonality.

Not all electorate offices are the same, either. My office was located next to what is now Child Safety, and the types of people who would wander in after getting an adverse decision are not the people that you would meet if you were in, say, a shopping centre environment. It is for myriad reasons that we ask members to cooperate. I will undertake for the honourable member to report on the status within six months, as your question asked me to do.

Mr LANGBROEK: My second question goes to the nature of the security matters that we were speaking about. I acknowledge that I think it should not be up to members' discretion. My question relates to the implementation of the security buzzers, of which I have an example here. I think they are quite impractical in terms of how we will use them. The accompanying instructions say, 'Do not at any time put the device in the pocket.' They come with a necklace that we are supposed to wear. This is for members of parliament as well as staff. They are clearly impractical. They come with a belt device. I cannot fathom how to connect it to my belt and then connect it to the device itself. We have lost our panic buttons. These are very sensitive matters that I am airing publicly. I know that I always felt reassured that I never had to use the panic button in either location they were in. We have lost them. I think we should all be concerned about that.

Mr SPEAKER: Just a couple of points on that. If you have a look at the recommendations in this report—and I am not saying that particular model was recommended—it was recommended at option 1 that there be the provision of a basic wireless system for use in offices. I do not know where other members conduct their interviews but I have developed a practice over the years of not holding my constituent interviews around my desk where the duress button is.

Accordingly, if a problem broke out, a mobile situation such as the one proposed would probably be in the interests of my staff. I might say again, using my own example, my office was—broken into is the wrong word; my staff were the victims of a theft, where people actually entered the electorate office while the staff were out the back. So they were away from the static duress button. I do happen to hold with a mobile.

What I think we will do, though, is let us take on board what you have just told me. I understand either you or another member were on the advisory board to the Speaker in the last parliament. The people who sit on the left-hand side of the chamber will have a member, or members, on that advisory board. I would actually like this to be something that we have complete agreement on. So let me give you the assurance today, and I would ask the staff to take notice of this assurance. Let us get together on this and we will see what practical improvements we can make for you on the issues that you have raised.

Mr LANGBROEK: Thank you, Mr Speaker. Mr Speaker, can you outline what materials and items have been located on visitors to the premises and confiscated by parliamentary security? Also, given that we talk about these discretionary measures involving security—for all that I do not want to be critical

of the electronic monitoring of visitors—I would like to have your views on how stringent we are going to be about people who come to the precinct. When the monitors may go off, for example, like they do at the airport, we clearly do not do what they do there. Is it your thoughts that we should be as stringent as the airport, or do we allow for a bit of discretion? Should we have one incident here, that will change it forever?

Mr SPEAKER: Committee members, let me take you through some of the statistics. Last year we had 76,000 people who were scanned on entering the place. We had 17,000 schoolchildren last year and of the tall patrons we had 7,889. Some of those people, for example, who will be attending the high tea this morning will be part of that, and this year I expect the numbers to be about the same. There were 51,845 people who attended functions here last year.

What we are trying to do is make the place open. At the same time, you all understand the restrictions above level 7. So we want to make the place open. Does it carry the same security risk as the airport? I hope in these days it does not. I never want to see the day when MPs have to be treated the same as US congressmen, for example.

So 76,000 were people scanned. We had 147 people last year who had items that they had to surrender. What sort of items were they? They range from a manicure set, or sets, scissors—in the case of schoolkids it was scissors—cutlery. Sometimes we have the contractors who come on site and those contractors have to surrender, perhaps when they are making a quote for a job on the place, items like pocketknives or a cable knife. What I am saying, I guess, is this: 76,000 people, 145 confiscations, and they range from manicure sets to scissors.

The risk profile of the precinct is one that I do not take lightly, but I am trying to get a balance between inviting people in and at the same time recognising the moderate level of risk there is at the moment. It has been my unpleasant duty to eject one lady in my time as Speaker already. She did not pose a personal risk; she was simply being disorderly

Mr LANGBROEK: Thank you.

Mr SPEAKER: I might finish. If you were asking did we want to elevate it to some terrorist risk, that is altogether different beyond the precinct and I do not think we are at that stage. I am advised by the Clerk that, should a risk level increase, then obviously we can ramp up our measures.

Mr LANGBROEK: I think we should acknowledge, Mr Speaker, that there has been a considerable increase in the time that I have been here in terms of security measures, and they are all welcome. It is just a matter, obviously, of keeping an eye on them and I am glad to hear you are doing that.

My next question is about the answer to the non-government second question on notice about funding arrangements for committees. I note that the committee secretariat has had its funding increased from \$70,000 to \$600,000, so I gather there has been a bundling of those secretariat figures. I wonder if you could clarify some of those arrangements, please. I said \$70,000 to \$600,000, but the total budget for parliamentary committees is \$2.38 million, up from \$2.2 million. This question is more about the variations in the committee secretariat funding.

Mr SPEAKER: The question you raise is important. Once the government had determined that it wanted to change the committee system, we did approach the budget review committee for additional funding and that was successful. For 2009-10 there are two significant changes to the way the committee office budget as a whole is going to be managed. Firstly, in order to improve the coordination and address the various workloads of each committee, funding for all executive assistant positions—and they were previously allocated and dedicated individually to committees—will be managed centrally from the committee secretariat under the direction of a committee office manager. The duties of the manager will be assigned to one research director in addition to current duties.

This is the fundamental change: secondly, funding for the committee office travel will be pooled and approved on a case-by-case basis by request. Previously, the committee travel budget was divided up and allocated to individual committees. This budgeting process did not take into account the fact that, due to the changing nature of committee inquiries in any given financial year, one committee may legitimately require a greater travel allocation than another. I realise I am going to mention something close to the member for Toowoomba North. For example, it is rare that the MEPPC would use its entire travel allocation in every financial year.

The new committee structure and the associated program of specific time related references from the House to the four new select committees also highlighted the need to prioritise committee travel due to the nature and timing of those referrals. Accordingly, in May 2009 I approved a new system for managing the committee travel budget by pooling the budget across all the committees and a governance process whereby each committee makes an application to the Clerk to access travel funds for a specific inquiry.

In addition, the Clerk has developed a set of guidelines to assist in making these decisions. These guidelines require 20 per cent of total funds available to be quarantined in order to cover any specific references from the House requiring travel which may emerge in the second half of the financial year. There are three additional people we have allocated to the committee system for this financial year.

Mr LANGBROEK: I refer Mr Speaker to the matter that the member for Clayfield wrote to you about earlier this year in relation to the unforeseen expenditure for the 2007-08 financial year. I ask: do you share the opposition's concern, in your case as the custodian of the parliament, that this unreasonable delay would set a dangerous precedent for the government to avoid parliamentary scrutiny?

Mr SPEAKER: I am getting advice on the matter referred to me by the member for Clayfield. My recollection is that that was sent to me as a matter of privilege. What I will be doing is making my decision in relation to that. I think the appropriate forum to do that would be in the parliament itself.

Mr LANGBROEK: Thank you. Can I come back to the committees then? I am interested in the funding cuts for the Scrutiny of Legislation Committee and the Crime and Misconduct Committee. Their funding has been cut by \$50,000 each.

Mr SPEAKER: I will defer to the Clerk on that one. There is an explanation for that.

Mr Laurie: It is not a cut per se. As Mr Speaker outlined in answer to a previous question, what has happened is that, in order to get the best efficiencies possible, executive assistants have been allocated to the committee secretariat under the control of the manager rather than to each and every committee. In a practical sense, I do not think it will make a difference to the committee whatsoever. They will still have an executive assistant. But the variation that you see in the actual funding is simply the money for that person's salary being transferred from the actual secretariat's budget to the global committee office general administration budget.

The whole concept here is that if and when committees require additional resources—and I think the point to emphasise is that committee work flows are not all even; they do ebb and flow and oftentimes different committees will be busy at different times and it is pursuant to the recommendations of a review that we had last year—to try to better manage the resources so that the committees that need the assistance get the assistance when they need it rather than, if you like, being locked into a rigid formula where they do not necessarily have the assistance when they need it.

Mr LANGBROEK: Mr Speaker, can you confirm that the air-conditioning plant upgrades for the precinct comply with government mandates for six-star energy efficiency?

Mr SPEAKER: The Parliamentary Service has a staff of about five people. We allow the Department of Public Works to be the project managers for the projects. They will be able to provide the information for that. If it is possible for us to supply that information, we will get on to DPW for you and I will get you an answer on that question.

Mr LANGBROEK: Can you advise on the current holdings of Parliament House's art collection and how the collection is being preserved and expanded? I am the shadow minister for the arts.

Mr SPEAKER: Yes, I take a deep interest in the arts here.

Mr NICHOLLS: You are not taking up oil on canvas then, Mr Speaker?

Mr SPEAKER: No. Now that I know of your interest in this I am going to include you in what I want to do with some of the artwork here. Mr Chairman, can I take the time to answer this question, because I think the question asked is a really important one. I have asked the Art Gallery to come over and with me have a look at some of the art that is on display here and make suggestions. The Clerk very well knows my frustration with the way the catalogue here seems to be quite disparate, to say the least.

I know that you are busy in your current role, but if you have this interest—I would like to have the advisory committee—then I would welcome your input when the Art Gallery staff come over here. There are some very expensive works, as I understand, on display here. What I have wondered is whether they are on their best display. That is why I am seeking the Art Gallery staff to come here. For example, I am told that the one in the parliament with the pineapple is a Hans Hyson which is worth a fortune. When I look at it from the vantage point that I have now, I sometimes wonder whether it is on best display.

Let us agree that once I have the Art Gallery people here I will give the honourable member plenty of warning and we will both stroll around together. It is in the interests of the parliament as a whole that we take an interest in that. As a bias, I would like to see Queensland artists have some prominence in the House of the Queensland parliament. If you go around and have a look at some of the work you will find that some of it comes from New South Wales. That would have reflected a time when we could not beat them at football! I hope I have answered your question. That is what I would like to see happen.

CHAIR: The time for that section of non-government questions has expired. We now come to government questions. I might start, Mr Speaker, with reference to the answer you provided to the question on notice in relation to community engagement activities around the regional sitting of parliament, and I ask: could you please provide the committee with any additional information in relation to these community engagement activities?

Mr SPEAKER: I know that members of the committee will be actively engaged in the committee process today. The ceremony today to honour Irene Longman is part of a community engagement that I really did welcome. I think the high teas that are held here have attracted significant numbers of people to the parliament who normally would not have come here. As I said on my appointment as Speaker, I want to see the multicultural groups, particularly refugees, come here to the parliament so that they can see for themselves that this parliament is a symbol of democracy and is a very practical way of engagement. I did acknowledge the former Speaker, Speaker Reynolds, for the manner in which he opened up the path of community engagement. I want to thank the parliamentary staff here who set about the task of community engagement in a way that is very conducive to the welcoming of parliament.

So to answer your question, over the past year Community Engagement has partnered with, amongst others, the Electoral Commission of Queensland, Department of Communities, Education Queensland, the United Nations Peace Alliance, YMCA, the Musgrave Park Cultural Centre, Intercept youth and community service, the Lions Club, NAIDOC, Reconciliation Queensland, Deaf Services Queensland and the Cochlear Implant Club and Advisory Association Queensland.

The unit also facilitates parliamentary community involvement through supporting various charities over the last year. The parliament raised awareness and funds for the Royal Flying Doctor Service, the Heart Foundation, Diabetes Australia Queensland branch, SIDS and Kids, and for the first time the Queensland parliament partnered with a charity for the regional sitting assisting the Royal Flying Doctor Service in its 80th year.

More than 2,500 people visited Parliament House on the day of the Brisbane Romp event held in September 2008 and engaged with various displays. This romp event raised \$225,000 for the Burnet Institute, which is an Australian research facility into infectious diseases, immunology, cancer and public health issues. In addition, education resources were expended to include topics of interest to the community as well as development of a range of tertiary fact sheets suitable for university students.

CHAIR: I now come to page 4-2 of the Service Delivery Statement and the goals of the Parliamentary Service. I am aware that the previous Speaker established a Speaker's Advisory Committee within the Queensland parliament and I am wondering whether you will be establishing a similar committee.

Mr SPEAKER: As I indicated to the deputy chair of the committee, it is my intention to set up a Speaker's Advisory Committee. For a whole raft of reasons, these advisory committees are important. When we have a building that is a heritage building such as this one, one that next May celebrates 150 years, it is important that representatives from all sides of the parliament be on that advisory committee, to go back to the previous question, even to help advise on what would be the proper presentation of artworks. As I said in my previous answer also, if there are concerns about mobile security then I think an advisory committee is a good place to distil those ideas. As I understand it and under the previous advisory committee, it was also consulted on some of the building works that were carried out in this precinct. I really do think that is important, because you need bipartisanship and that commitment to that.

To committee members I simply say this: yes, I will be writing to the leadership and to the Independents in this parliament inviting membership of a Speaker's Advisory Committee. It will be in accordance with standing order 209, where the proceedings of the committee will be confidential until reported or authorised for release. When I select the committee I will take into account a number of factors such as that the committee should be as representative as possible—with representatives from the governing party, the opposition and Independents—and I would hope that it will include new members and members from regional areas.

It will enable me to facilitate consultation with members of parliament but also to get an understanding of some of the complexities in making renovations to a building, in the case of the Annexe, which was built in the 1970s, and trying to retrofit new services into that is a complex task. If you think about the 1970s, it was a time when this place was still male dominated, and in that part of the 20th century there was still no great understanding of people with disabilities. In this part of the 21st century all of those matters are to the fore, and it is a matter of retrofitting into an old complex the 21st century needs. So I think an advisory committee is exactly the way to go.

Mrs KIERNAN: As a member of the previous Speaker's Advisory Committee, I can say to you that it was incredibly valuable being a member of that last committee. My question, however, today is with respect to page 4-3 of the Service Delivery Statements. It makes reference to the hosting of the official ceremony for the swearing-in of the Governor. Would Mr Speaker like to advise the committee what was involved with this particular project?

Mr SPEAKER: I thank you for the question. Her Excellency the Governor will be visiting Parliament House later today as part of the Irene Longman celebrations. On 29 July 2008 Her Excellency was sworn in as the 25th Governor of Queensland. I am going to make this statement later today but I will say it for the committee. We have taken it for granted that Her Excellency is the third female Governor. Irene Longman was elected to the parliament 80 years ago and was the first female member. We take it for granted now. When we see some of the things that Irene Longman suffered only 80 years ago, I am delighted that Her Excellency will be joining us again today and was sworn in as the third female Governor. Three out of the last four Governors have been female, which is a tremendous achievement and shows how the attitudes of Queenslanders have developed in such a short time.

The Parliamentary Service staff were heavily involved in the working party which coordinated that project including representatives from the Department of Premier and Cabinet, the Office of the Governor, the Police Service and the armed services. They provided venue logistics, staging and equipment for that project. The likelihood of bad weather in late July meant that the team had to source and coordinate the construction of a marquee of a size to cover the entire Speaker's Green. The planning paid off when during the week of the swearing-in Brisbane experienced high winds and driving rain. Property Services' hiring of heaters at short notice ensured that the guests were comfortable on that day. In addition, the Property Services team was called upon to manage alternative staging requirements, including the audiovisual arrangements, to fit in with the use of a marquee. Further to that work, parliamentary security staff also worked in conjunction with the Queensland Police Service on matters of public safety and event security.

Parliament House security and attendants managed the security screening of more than 400 guests within an extremely short space of time and without incident. The Parliamentary Service catered for the event, as is always the case on these things, and I think all committee members will agree that both the parliamentary Property Services team and also the Parliamentary Service's Catering Services always do this parliament proud not just on the big occasions but also on every single day that this parliament sits.

I want to acknowledge the tremendous work of the parliamentary staff in displaying this place and making sure that great events like that are carried out well. I want to acknowledge the work of Jason Gardiner, Kevin Jones and Jaakko Ponsi for the work they have done, not just on those days but on every single day of the year.

Mr SHINE: Page 4-5 of the Speaker's Service Delivery Statement refers to an estimated 2,000 tabled papers and reports registered and archived in 2008-09. Can you provide the committee with some additional information as to how the tabled papers database has assisted the registering and archiving process?

Mr SPEAKER: As members may be aware, the database contains details of every tabled paper and also stores an electronic copy of every tabled paper when an electronic copy is available. Prior to the introduction of the database, most tabled papers were only available in hard copy which limited public access to the information. In addition, the process of distributing reports on request was labour intensive and costly and there was no single access point for electronic copies of tabled papers. The database was implemented in 2007-08, with website access to documents launched in the first sitting week of 2008. Originally the aim of the project was to make documents tabled since 1997 available, but this target was achieved earlier this year.

Following completion of the project in June 2009, papers tabled since the 47th Parliament, which is from 1992 onwards, are now accessible with online access to view approximately 95 per cent of the documents. The electronic copy of the *Record of Proceedings* on the parliament's website now also includes a direct hyperlink to each tabled paper at the point in the transcript where a member has tabled the paper. The project costs incurred last financial year were \$67,000 for a full-time database administrator staffing position and \$45,000 for temporary staffing to undertake the digitisation of the archived papers.

Mrs ATTWOOD: Page 4-3 of the Speaker's Service Delivery Statement refers to the development and delivery of the formal induction program for members of parliament. I had the privilege of being involved in a session about the MEPPC during the most recent program. Can Mr Speaker please advise the committee on the success of that induction program?

Mr SPEAKER: I think the committee member and I were one of the first to ever do this in 1998. All honourable members who come in here take out of that induction process what they want to put into it. If they want to treat it with indifference that is what they will get out of it. I think it has got better over the years. I think this year it would have been better than perhaps the one that we started off with. I do think it is a valuable introduction to the Queensland parliament. I have spoken to one member who was very familiar with this place who found that whole process very enlightening for him. That was direct feedback that I got.

This year, and I have already commented on this to the former Leader of the Opposition, 19 new members were elected, which represented more than 20 per cent of the Assembly's 89 members. We clearly had a very structured induction program conducted over three days from 6 to 8 April. Day 1

included sessions from the Clerk on the role of a member of parliament, the constitutional framework and key legislation, and the registers of interest. Other Parliamentary Service managers presented on topics including ethics, parliamentary privilege—which the member would have been involved with—accommodation facilities, security, members' salaries and allowances, superannuation, parliamentary travel and financial and administrative services.

In addition, on day 1 guest presenters included, I understand, the honourable Leader of the Opposition and deputy chair today and experienced members—I think that is important—such as the committee member for Mount Ommaney and the honourable members for Sandgate and Toowoomba South. The Integrity Commissioner also presented a session. Day 2 included sessions in the House itself and Parliamentary Counsel on the legislative process and the Clerk on chamber proceedings. Day 2 finished with sessions relating to management of electorate offices which included a contribution by the former Speaker.

Day 3 began with a question and answer session of statutory office holders including the Chief Justice of the Supreme Court, the Chief Judge of the District Court, the Ombudsman, the Acting Information Commissioner, the Auditor-General and an assistant commissioner from the crime and misconduct tribunal. They also had a panel session with parliamentary media gallery representatives. So in answer to the committee member, I would say it seems to be far more detailed than the one that she and I were involved with in 1998.

Mrs ATTWOOD: Thank you.

Mrs KIERNAN: Page 4-2 of the Service Delivery Statement refers to the impact of environmental factors, including the increasing demands and identified needs of key client groups of the wider communities. Before I ask about other parliaments, I would just like to comment on our community engagement unit that has just been in north-west Queensland for NAIDOC Week. This is really taking the parliament to the people. Would Mr Speaker outline how the Queensland parliament has engaged with and supported parliaments in our region during this past year?

Mr SPEAKER: Yes. Thank you for a question on what is, I think, a very important leadership role that the Queensland parliament is playing with parliaments from Papua New Guinea and also in the Pacific in general. I know Speaker Reynolds was actively involved in Papua New Guinea and still is. Recently this parliament played host to the speakers and clerks of parliaments from the Pacific over a week helping develop their skills level.

Frankly, I think a state that is as gifted as we are should play that leadership role and it is one where I hope that we have an ongoing relationship. I want to thank former Speaker of the New South Wales parliament, Kevin Rozzoli, for his ongoing interest in helping upgrade the skills level and the Clerk, Deputy Clerk and their officers for the leadership roles they have played in Papua New Guinea and also in the Pacific in general. I know the Clerk visited Vanuatu recently as part of that leadership role. As far as I am concerned, the parliament will continue to provide that. We played host recently and I indicated to the clerks and their officers that should they want to use our facility again next year this parliament would provide that offer of assistance.

Papua New Guinea is our nearest neighbour. The Prime Minister of Papua New Guinea visited Queensland last year when we had the regional sitting of parliament in Cairns and if that is the way that we can show our closest neighbour our commitment to democracy and to the institution that we have here, that is one that I am prepared to engage in.

I think in that sense the only other point I wish to emphasise is that, under the Commonwealth Parliamentary Association arrangements, the Queensland parliament is being twinned with the national parliaments of Papua New Guinea and Vanuatu. The Speaker of the Papua New Guinea parliament invited former Speaker Reynolds to PNG to discuss the twinning arrangements and start the process. That visit took place in 2008 and a formal memorandum of understanding between the parties is currently under consideration.

CHAIR: We have a touch under 10 minutes remaining, so we might have five minutes of non-government questions.

Mrs STUCKEY: I refer Mr Speaker to non-government question on notice No. 3. If the recent blockage problems on Friday, 19 June were due in part to the composition of existing pipework that required an unpriced alteration to PVC and recurrent odour problems, why was this change not addressed in the original renovation schedule?

Mr SPEAKER: Could you give me the date again in your question? Was that the Friday incident?

Mrs STUCKEY: It was Friday, 19 June. I can table a photo of the evidence.

Mr SPEAKER: I inspected the evidence myself.

Mrs STUCKEY: It was not pretty.

Mr SPEAKER: No, it was not.

Mr NICHOLLS: You did not have to inspect it.

Mr SPEAKER: In relation to the Friday incident, after the honourable member had been to see me, the Clerk and I went up to level 9 to inspect that ourselves. Then we went down to level 8 where by then they had a camera in the pipes. The photographic evidence seemed to indicate that that particular incident on the Friday was a blockage caused by paper towels being inserted into the system. That caused the blockage on that particular day. That was corrected. I do not know how much detail you want me to go into, but that particular tissue does not degrade like toilet paper and that is what caused the blockage on that occasion. When we inspected the pipe, the advice given to me was that that pipe could be traced directly to level 9. What I did after inspection and noting the problem was to get everybody who was on the floor at that time—my recollection is that the honourable member was not there—and advise them of what the problem was and the action that was to be taken that day.

To go over it a little bit further, there was a previous failure on 16 June. My recollection is that another member on the floor raised an issue there. That failure was caused by an airlock in the pipe. There were two separate issues. That was caused by this: at the time of installation the original plumbing plan for the new toilet works could not be delivered because there were a number of unforeseen obstructions to the proposed work—that is, there were air-conditioning vents and infrastructure which prevented installation according to that plan. There were two options, I am advised: to remove the obstruction and therefore delay the project or install plumbing in a different way to that originally planned. The plumber chose the second option.

As a result of that decision, piping that was too long was installed causing that airlock and the pipes to block. In order to address the problem, the new pipe vents were installed in the early hours—that is 3 am, I am told—of 17 June 2009. I am advised that that was to prevent any further airlock from occurring. So there were two separate incidents, but the one on the Friday was the one that you quite rightly brought to my attention.

Mrs STUCKEY: The toilet refurbishment on level 9, which was where this blockage occurred, has taken six months and it was out of order on several occasions and I would like to table a photo of that.

Given that the addition of the unpriced alterations to pipework means that this project will no longer be completed on the floors listed in the 2008-09 period, what is the current scheduled date for completion for these refurbishments?

Mr SPEAKER: There has been no decision that that will not go ahead, no decision at all.

Mrs STUCKEY: So there is no decision?

Mr SPEAKER: We have not made a decision not to go ahead with those works.

Mrs STUCKEY: I am asking about what the scheduled completion date will be now, bearing in mind that you have got some unpriced alterations to PVC from existing poor-quality pipes. If I may assist a little more, in that reply to the non-government question on notice it does refer to the other levels as well with the costings. What I am asking is: is this going to cause delay, the fact that you have to go back and review those pipes?

Mr SPEAKER: The difficulty with this is that we do not do it when members are using the building. I would like to be able to give you a precise date. Let us agree to this: what I will do is get back to all honourable members when I have got precision on how DPW are going to handle this work given that by August we are going to have sittings of parliament again. I certainly do not want parliamentarians to be in the position that we were in on that Friday. What I will do is I will get back to you once DPW has given me a time frame that will be acceptable to, firstly, the works but, secondly, to ensure that the works are carried out when the parliament is not sitting.

In a building like this what we try to do is do the works around non-sitting times. I cannot be precise about the dates that you are seeking, but I will undertake, Mr Chairman, to keep not just the honourable member informed—she is entitled to that—but to keep all honourable members informed about the progress of this.

CHAIR: That is the end of the non-government section. We have about two minutes left. I know the member for Mount Ommaney wants to get a quick question in. I do want to start the Premier on time. We do have a chance for a question, though.

Mrs ATTWOOD: Mr Speaker, I make reference to your emphasising the importance of bringing multicultural groups into the parliament. I would like you to advise the committee of any strategies being developed in this area.

Mr SPEAKER: I do thank you and recognise that your electorate is one with a high degree of multicultural diversity. One of the initiatives that I want this parliament to be involved with is the highest honour that we can bestow on somebody coming to this country, and that is Australian citizenship.

What I would like the parliament to be able to do several times a year is be the place at which Australian citizenship ceremonies can occur. Up until now, local government councils have tended to conduct those, but I believe that if we are the beacon of democracy in the state there is every reason to believe that we could hold such ceremonies here. Accordingly, I have asked the community engagement officers to prepare a letter for me to the relevant federal department. We have an indication

from the department of foreign affairs that the concept that a Speaker of the Queensland parliament could be a designated presiding officer is novel and interesting. I want to take it beyond novel and interesting and ask it to give practical consideration to it.

Obviously a delegation must ultimately be given by the Minister for Foreign Affairs. I intend to write to the relevant minister enclosing a formal expression of interest as Speaker of the Legislative Assembly to become a delegated presiding officer for citizenship ceremonies. I intend to indicate the parliament's interest in hosting two special ceremonies—perhaps one on Queensland Day, which is 6 June, which usually coincides with Refugee Week, and one around Proclamation Day, which is on 10 December, which ties in well with Citizenship Day, which is 17 December. Whilst I do not have a formal approval yet, it is my intention to push for that for the Queensland parliament.

CHAIR: Thank you, Mr Speaker. That concludes the time for examination of appropriation in relation to the Legislative Assembly. I thank you and your advisers for your time today.

Mr SPEAKER: Thank you very much. Mr Chairman, I thank the committee and I also thank the parliamentary staff who have been involved in preparing for today's session. I want to thank them personally for their professionalism in the way they treat all members of the parliament respectfully and equally.

CHAIR: Thank you.

ESTIMATES COMMITTEE A—PREMIER AND CABINET AND THE ARTS

In Attendance

Hon. AM Bligh, Premier and Minister for the Arts

Mr D Wilson, Senior Policy Advisor

Department of Premier and Cabinet

Mr K Smith, Director-General

Ms L Tabrett, Deputy Director-General, Arts Queensland

Ms J Branch, Executive Director

CHAIR: Welcome, Premier. I declare this meeting of Estimates Committee A now open. My name is Simon Finn. I am the member for Yeerongpilly and chair of the committee. Joining me on the committee are Mr John-Paul Langbroek, the member for Surfers Paradise and deputy chair of this committee; Mrs Betty Kiernan, the member for Mount Isa; Mrs Julie Attwood, the member for Mount Ommaney; Mr Kerry Shine, the member for Toowoomba North; Mr Tim Nicholls, the member for Clayfield; and Mrs Jann Stuckey, the member for Currumbin.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2009 for the portfolio of the Premier and Minister for the Arts, beginning with Arts Queensland and its associated agencies and companies. This will conclude at 10.30 am. We will then resume after a short break at 10.45 am to examine the estimates for the remainder of the Premier's portfolio. This will conclude at 12.45 pm.

The proceedings today are lawful proceedings and subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to the hearing may be excluded by order of the committee in accordance with standing order 206. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography during my introduction and the Premier's opening statement. The committee has also agreed to the live broadcast of the hearing via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. Premier, the time limit for questions is one minute and three minutes for answers. A warning bell will chime 15 seconds before the time runs out. An extension of time may be given with the consent of the questioner.

I now declare the proposed expenditure for the portfolios of the Premier and Minister for the Arts open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Premier, I am sure you have an opening statement. You have five minutes.

Ms BLIGH: Thank you very much, Mr Chair. I wish all of the committee a very good morning and, yes, I would like to make some opening comments. I think it is fair to say that since I addressed this committee at around about this time last year Queensland has changed dramatically. This time last year our resources sector was booming, property prices were at their highest and Queensland had racked up its 13th straight year of record economic and population growth. This time last year inflation, not unemployment, was the biggest economic concern facing our state and indeed the nation. Twelve short months later, economies of the developed world have been crippled by the worst economic conditions since the Great Depression and seven out of 10 of our trading partners are in recession. Although we were not the Wall Street bankers who caused the collapse, we in Queensland are bearing the brunt of the fallout.

The global recession has wiped \$15 billion from our budget revenue over the next four years. The devastation of unemployment has already affected thousands of Queenslanders, and it is likely that it will worsen before it improves. For many people, this may be the first time in their working lives that they have faced unemployment. Nevertheless, the Queensland economy continues to demonstrate its resilience, with growth this year expected to be slightly higher than the national rate of growth and unemployment to be slightly lower than the national rate of unemployment. This means that this will be the 14th year in a row that, even in these worst of times, Queensland's economy is set to outperform—albeit slightly but outperform—the national economy. In tough times it is the role of government, in the view of our government, to look ahead and to face the realities, to get on with the job and to maximise the opportunities that a return to prosperity will bring.

Of course, since the committee last met this state has faced a state election. I took to Queenslanders in the recent election a plan to create 100,000 jobs in this term of government. This is without a doubt a very tough target but one that we will work to achieve job by job, industry by industry, region by region. We will do that through our four-point jobs plan and other initiatives. Firstly, we have a

commitment to move forward our Capital Works Program—a record \$18.2 billion this year—to support some 127,000 jobs and to build the infrastructure needed for a growing population. Secondly, we will prepare for the recovery by expanding our skills base and providing skills and training to position people during these tough times. Thirdly, we are committed to supporting new industries of the future such as liquefied natural gas and solar and geothermal renewable energy sources—industries that we believe will power jobs and power the future. We will also do this by supporting our traditional strengths with new initiatives in areas such as tourism and mining. We will also remain committed, as we have been over a number of years, to investing in arts and culture and events to generate jobs in those sectors. Fourthly, we are committed to maintaining our current job creation programs and developing new ones like the Green Army, putting unemployed people to work and improving our waterways, beaches, national parks and green spaces. We will also maintain service levels to meet the needs of a growing population, and this will deliver jobs in front-line public sector areas.

I took to the election a plan to protect as many Queensland jobs as possible and to create more jobs to keep the wheels of our economy turning and to emerge from the recession stronger, not weaker. During that time it was clear that some tough decisions would have to be made to quarantine our jobs program, particularly our Capital Works Program.

Mr Chair, I think you would agree that there is much to love about Queensland—our way of life, our stunning natural wonders and the friendly disposition that every week leads some 2,000 people to make Queensland their home. But if we want to fortify our great state from the blunt force of the recession, if we want to build solidly for our future, then there are things that we need to do differently. To manage the fallout from such a huge hit, Queensland needed to rethink and to renew. And so, just as I committed to renewing the ministry and to renewing the public sector, I have committed to renewing the Queensland economy and the structure of our public finances.

I gave Queensland a commitment that I would work hard every day for a return to prosperity, and since the election we have done just that. The 2009-10 budget is framed with our priorities of job creation and our Q2 targets—to create Queensland as a state that is stronger, smarter, greener, healthier and fairer—in mind. The budget papers that will be examined by this committee outline my government's commitment to deliver on our election commitments this year and every single year of our term.

CHAIR: Thank you, Premier. Now for the first session of non-government questions. I call the member for Surfers Paradise.

Mr LANGBROEK: Thank you, Mr Chairman. Good morning, Premier and your senior officials and staff. Members of the department of arts, welcome. My first question is from SDS page 1-2 about The Edge at the Cultural Centre. I note that this project was first listed in the 2007-08 budget and it is a two-year project that has now taken over three years. It is due to be completed by September, with a major spend between now and then. What steps have been taken to ensure that this project will be delivered this year and be delivered on budget?

Ms BLIGH: I thank the member for the question. You are right: The Edge is one of the new initiatives in the Arts portfolio. It is part of the government's arts culture + me action plan for children and young people in the arts. What this project will do is transform the existing auditorium building at the Cultural Centre into a new destination for young people to experiment with new technologies and to generate ideas. It is being managed by Arts Queensland through Project Services in the Department of Public Works, and the managing contractor is Abigroup.

The project budget of \$7.9 million is anticipated to accommodate a media lab; a recording studio and studio spaces for designing, learning and experimenting; an auditorium for large scale performances and exhibitions; a workshop; and collaboration spaces. The project is being managed by the Queensland State Library and it will partner with other art statutory authorities, educational arts and commercial sector organisations. The forecast construction completion date is 30 September this year. I should say that I have had recent discussions with the department of arts in relation to both the completion date and the opening arrangements. I am advised that the project is on track for the completion date. Whether or not it will open exactly on that date is another question. There is some work happening about exactly how best to open this to capture the imagination of young people.

This is a project that is a bit of an experiment for the Library and for the cultural precinct. It is very much aimed at ensuring that the very significant investment, not just of this government but also of previous governments, in that cultural precinct is open, accessible and welcoming to people of a younger demographic. This is, as I said, a bit of an experiment in opening up these facilities to that young group. So there are some discussions happening within the Library and within Arts Queensland about the best way to open the facility—that is, what sort of an event would capture people in its early stages. Obviously its long-term reputation as a space will be determined by the first couple of events that are held there, so they are very keen to get it right. So the construction, as I am advised, is on track for completion on 30 September and it is on budget. So it is on budget, it is on time and discussions are being held about how we might go about opening it appropriately.

Mr LANGBROEK: Page 105 of the Capital Statement refers to maintenance of the Cultural Centre auditorium and just below that the budget for 'The Edge'. It identifies \$2.3 million for the maintenance of the auditorium in addition to the \$6.9 million for the transformation. How much of this maintenance is due to the project taking three-plus years to deliver? Could you clarify for the committee why there is a difference between maintenance work and the \$6.9 million for the transformation?

Ms BLIGH: I do not have the Capital Statement in front of me. I am just getting that. Is it page 105 you are referring to?

Mr LANGBROEK: Page 107.

Ms BLIGH: I think it is page 105. It states—

The 2009-10 capital program includes the \$2.3 million for the maintenance of the Cultural Centre Auditorium as well as \$6.9 million for the Auditorium's ongoing transformation ...

My understanding is that there are effectively two issues here. One is the capital program that is renovating and transforming the space and the other is maintenance for the ongoing upkeep of what is a building that is now close to 30 years old. I will invite one of the officers from Arts Queensland to add to my answer.

Ms Tabrett: Typically when we refurb a major building we take the opportunity to look forward in the maintenance schedule to things that we would have put off or need to do over the next two or three years. We are just bringing forward into this program of works an accumulated program of maintenance.

Mr LANGBROEK: My next question refers to SDS 1-2 and the Pacific Film and Television Commission. What additional support has been given to the PFTC above and beyond its original operating budget to attract the production of the *Chronicles of Narnia—The Voyage of the Dawn Treader*? Could you also itemise the in-kind support by Warner Roadshow Studios that is mentioned in this line item that this production was stated to be 'contingent' upon?

Ms BLIGH: I thank the member for the question and I can understand his interest in this project. This is a very important production at a time when the competition for major film production is very competitive around the country and in fact internationally. There was a lot of hard work done to win this project, particularly in the face of strong competition from New South Wales and New Zealand and in the light of a fluctuating Australian dollar. This production was attracted after a two-year production attraction process.

While there have been additional resources provided to the Pacific Film and Television Commission, as I am sure the member is aware, these matters are by their nature commercial-in-confidence. We compete with other states and with other countries, and we do not like to show our hand in terms of what will be delivered. But I can advise the member that there have been financial incentives provided to PFTC. Warner Roadshow Studios has provided a very favourable deal as well. The production will also have access, as is common in these sorts of packages, to a state payroll tax rebate and federal government location offset. Projects of this size frequently generate a return on investment of at least 30 to one. It is not normal for us to disclose exact amounts. As I am sure you would appreciate, we do not want to flag our hand in relation to these negotiations and thereby give New South Wales or New Zealand or any other competitor the upper hand and put Queensland taxpayers at a disadvantage.

The Gold Coast City Council's Film Gold Coast organisation has also provided some funds. This will be a very significant benefit to the Gold Coast. We anticipate that this will generate more than 2,000 jobs. So this is, I think, a very important part of our job creation strategy. As I mentioned in my opening comments, the arts and cultural sector is as important as any other part of the economy in generating jobs, and there are many people who work in this sector not only who would simply lose their jobs but whose talents and considerable skills we would lose because it is a very mobile industry. Whether we are talking about set designers, computer graphics designers, post production workers, these are skills that are mobile—they move around the world—and if you do not have production here to keep them you will lose them and then you become less competitive for future productions.

I am happy to confirm to the member and to the committee that there is a financial incentive package provided but, as has been the case in the past, the details of that are protected by commercial-in-confidence arrangements.

Mr LANGBROEK: What about the in-kind support? That was the second part of the question—the reference to Warner Roadshow Studios providing in-kind support.

Ms BLIGH: These matters are the subject of commercial arrangements between Warner and the production. The government is not privy to all of these matters. As you know, they have substantial studios and other resources and they make their own arrangements with these productions about the value of those resources.

Mr LANGBROEK: I refer to SDS 1-7 and again to the Pacific Film and Television Commission. Premier, could you please outline the selection process that led to the appointment of the new PFTC's CEO and why it is not perceived as a conflict of interest to appoint as a CEO a person who is currently named as being a party to a lawsuit brought by this organisation?

Ms BLIGH: Sorry, I did not hear the last part of your question. Party to a lawsuit—

Mr LANGBROEK: This person is currently embroiled in a lawsuit involving the government and the organisation that they are now the CEO of.

Ms BLIGH: I am happy to advise the committee that Ms Maureen Barron commenced as CEO of the PFTC on 6 July this year. She was formerly chair of the Australian Film Commission. Prior to that she was the general manager—corporate and company secretary for the Southern Star Group. The selection process, as I understand it, was a standard merit based process involving advertising and a selection committee. There was also a head hunter engaged.

I know there has been some suggestion in some quarters that this person is involved in some legal actions. I do not believe there is anything that would suggest that that legal action presents a conflict of interest. I think you see from the background of the person appointed substantial experience in the film sector in both film commissions and Southern Star as a production company. I am advised also that the person concerned has made public comment to the effect that she has no financial interest in the film concerned, any current connection with Liberty Films, which is the organisation, or any involvement in the film attracting funding.

Mr LANGBROEK: Premier, could you advise the findings of the audit report commissioned by the PFTC? Will you release this audit report? What steps have been taken within the management of PFTC to address what has been identified as 'the interventionist, overbearing and obstructive behaviour of the PFTC'?

Ms BLIGH: I am not sure what the member is referring to. I am advised that there is no audit report in relation to this matter. The Queensland Audit Office has not done one. I am not sure exactly what you are referring to. Maybe there is a semantic difference.

Mr LANGBROEK: It is a review commissioned by the Pacific Film and Television Commission and conducted by independent consultants. The report has not been publicly released. But I would hope that you, as supervising minister, could have it released for public consumption.

Ms BLIGH: I understand the misunderstanding now. It is not an audit report. There was nothing done by the Queensland Audit Office or in fact any independent auditor. There was a review done of the corporate plan of PFTC and I am advised that it has been released publicly. So if you have not got a copy of it I am happy to provide that later today.

Mr LANGBROEK: Thank you. Could the Premier provide a breakdown of the overseas travel funding by the PFTC in 2008-09, listing the identity of the people who travelled, travel and accommodation expenses and the purpose of the trip?

Ms BLIGH: You will appreciate that I will have to take that on notice. I am happy to provide it. We might be able to do that very quickly. Obviously this is an organisation that has extensive travel. I will make sure that the information answers your question and we will provide it.

Mr LANGBROEK: At SDS 1-14 it lists the percentage of funding decisions informed by industry peer assessment. My question to the Premier is: why is the government continuing to move away from industry engagement when making arts funding decisions?

Ms BLIGH: I thank the member for the question. As you will note in relation to that matter—you are talking about page 1-14?

Mr LANGBROEK: The percentage of funding decisions informed by industry peer assessment was 70 per cent target actual in 2008-09, 68 per cent estimated actual in 2008-09 and then the aim for 2009-10 is 65 per cent.

Ms BLIGH: If you go to the footnotes in relation to that, note 12 states—

This measure refers to funding decisions made as part of competitive or open grant programs ... and does not include targeted funding decisions.

It also states that the variation between these figures is because of a higher number of career development grants being processed in 2008-09 than in previous years. Those grants do not require industry peer assessment. What you see here is basically a higher number than normal of career development grants being processed than in previous years. Those grants do not require industry peer assessment. So there is no change to those parts of the organisation's activities that do require industry peer assessment. There is no diminution of that. I am advised that there are industry development initiatives that are targeted in relation to peer assessment reviews.

Mr LANGBROEK: In that case, with reference to note 12 on SDS 1-15, would you advise the committee what comprises the targeted funding decisions and who are the people responsible for determining these targets?

Ms BLIGH: The targeted funding decisions include, for example, in relation to regional arts and cultural services, an integrated service delivery model to foster arts and cultural development in five regions across Queensland. The Queensland Arts Council and other regional organisations are invited to participate in that process. In relation to local cultural enterprise development, this is the continuation of the successful community, culture and commerce initiatives in Mount Isa, Rockhampton and Bundaberg. That funding amounts to \$100,000 between those three. Decisions are underway for co-funding with the Australia Council through the Community Partnerships Program.

In the performing arts, a program called Creative Production Hubs, initially a Brisbane based hub with regional components including Townsville, is offering administrative, production, touring and market development support for independent performing artists. Some matching funding will be sought for that from the Australia Council. Similarly, there is an Indigenous theatre initiative of some \$100,000. These are initiatives to strengthen artists' development and organisational capacity building.

Finally, in the multi-arts area, there are cultural diversity initiatives. That includes funding for high-quality presentations, artists' services and community engagement projects across the state, and that amounts to \$120,000. So the total across all of those program areas is \$820,000.

Mr LANGBROEK: My next question is about the Queensland Events Corporation at SDS 1-48. I note that under 'Output: Major Events Securement and Support' the target for event submissions received and assessed was 70 and the actual was 65, and the target for 2009-10 is 70. What steps are being taken by Queensland Events Corporation to address requirements for successful event submissions and applications? I presume that because of the global financial situation fewer applications may have been received, but I am interested in your view on this.

Ms BLIGH: Thank you for the question. I looked at that myself. You will certainly see from the footnote that the Queensland Events Corporation has undertaken to keep working with event organisers to promote awareness and understanding of the requirements. This is an estimate obviously of the number of applications it believes it is likely to receive in any one year. The estimate was 70 and 65 were received, so I think it was pretty close. But you are probably right that it is a reflection of the circumstances. Particularly some of the smaller events that people might have contemplated, which inevitably rely on not only government support but also the support of local businesses and local communities and a bit of fundraising, are a bit tougher for people to get off the ground.

I think it is important that the organisation identify that its target continues to be 70 or beyond that, because I do hope that it continues to do what I think is a pretty good job across the state in some of our most remote places. I am sure the member for Mount Isa could give examples of some of the events, some of them often very small. These are often very small funding grants that make all the difference between an event happening or not happening—\$2,000, \$10,000 or \$20,000 are the amounts of money that we sometimes add to the assistance provided by council, for example, on a dollar-for-dollar basis and then local businesses join in. What you will see out of all of that are some terrific things happening.

Queensland Events Corporation is very conscious that these are difficult times, and that is why, if you note the footnote, it has indicated that it will continue to work to make sure that people are aware there are funding programs available and to make sure it works with organisers to make sure that their submissions meet the eligibility requirements.

Mr LANGBROEK: I refer to page 106 of the Capital Statement and to the spending of \$2.1 million to purchase works of art for the gallery's collection. Premier, how much of this art has been purchased for each managed gallery—the Queensland Art Gallery, GoMA et cetera? Of those purchases, how many were for art created by Queensland artists?

Ms BLIGH: Sorry, your first question was how much of the \$2.1 million has gone to the Art Gallery and GoMA. All of it.

Mr LANGBROEK: Could you give us a breakdown?

Ms BLIGH: I would have to go back and get that. We do have the director of the gallery here. I am not sure whether he is in a position to answer that quickly or whether we will have to take it on notice. What was the second part of your question?

Mr LANGBROEK: How much of this money was for art created by Queensland artists?

Ms BLIGH: I am happy to take both of those questions on notice and provide it to the committee hopefully before the conclusion of the session, but if not as soon as possible.

CHAIR: Premier, I would like to refer to funding support provided to the Queensland Arts Council. How is the Queensland Arts Council able to work with Arts Queensland to deliver arts and cultural events to Queensland and, in particular, regional Queensland?

Ms BLIGH: I thank the member for the question. I am sure that members of the committee are all very familiar with the work that the Queensland Arts Council does. It is a state-wide organisation with some 61 local arts councils, so you will find regional and local arts councils right across the state. The organisation has 8,000 members in places as diverse as Sarina, Stanthorpe, St George, the Sunshine Coast and everywhere in between.

This year has been a year of change for the QAC. It has addressed, to its credit, organisational overheads and restructured the organisation to deliver a stand-alone touring unit. The effect has seen a significant reduction in administrative costs, which means more product out there touring. 2010 will mark the 48th year of the Queensland Arts Council and the Queensland government working in financial partnership to deliver these programs across Queensland. Its broad services have included touring programs, visual arts exhibitions and providing funding advice, training resources and other assistance for community based arts projects.

This year the Queensland government conducted for the first time an open tender process for the touring for the adults program. The model that had been used to deliver this program had remained unchanged for many years, so for the first time this year Arts Queensland put this out to the market to test the quality of the product and what value we were getting for taxpayers. While the previous system did produce some quality shows, public consultation showed that Queenslanders wanted more say in what toured and more opportunities for local talent to tour. The total touring strategy is worth \$1.9 million, and that includes subsidies for touring performances and administration. So it is a significant investment, and I think it is important that it is tested from time to time.

Tenders opened on 3 June and closed on 30 June. It was a highly competitive process with three very strong tenders received and evaluated. Arts Queensland went to tender, as I have said, to create a contestable market to ensure we were getting the best outcomes for the program, best value for taxpayers and the best bang for the buck. I am very pleased to advise the committee today that the Queensland Arts Council put forward the best tender and will be involved in delivering the Queensland government's new touring strategy which is called *Coming to a Place Near You*. We look forward to putting on some of the best performances that Australia has to offer and to treading the boards right across Queensland—from Shakespeare in Longreach to *West Side Story* in Townsville to cutting-edge, innovative and modern productions in our capital city. If they are good enough, they could be on the books.

Under this deal, a broadly based advisory panel including Arts Queensland and the Queensland Arts Council will choose the products that will be funded to tour. Communities will then have the chance to select shows from a new online touring marketplace. Arts Queensland is currently working with the Queensland Arts Council board to deliver that new vision for touring Queensland for adult programs, and I congratulate the Arts Council.

Mrs KIERNAN: Good morning, Premier. I refer to page 1-2 of the SDS and the reference to the inaugural Cairns Indigenous Art Fair. Can you inform the committee of the origins of this event and what people may expect if they are fortunate enough to attend?

Ms BLIGH: I thank the member for the question. The Cairns Indigenous Art Fair is part of the government's Backing Indigenous Arts strategy. This is a strategy to support Aboriginal and Torres Strait Islander arts and cultural initiatives in Far North Queensland. This is a four-year strategy involving an investment of \$10.73 million from 2007-11.

The Cairns Indigenous Art Fair, at an investment of \$1 million, is part of the Backing Indigenous Arts strategy. This art fair will be Australia's only art fair solely dedicated to Aboriginal and Torres Strait art forms from Queensland. The inaugural art fair will be held on 21, 22 and 23 August of this year. I will be attending, and I certainly encourage others to do the same.

The fair will be held in the lush rainforest surrounds of the Tanks Art Centre in Cairns which adjoins the botanic gardens. The object of the fair is to generate national and international demand for the work of Queensland Indigenous artists. I think there is already quite a buzz surrounding this event, and I know that the city of Cairns is excited about it and sees it as something that could become a signature event for the city. It is a terrific opportunity to showcase Aboriginal and Torres Strait art to the world, including a selective selling exhibition, live arts and performances.

Here in Australia we are the home of the oldest living culture on earth, and in Queensland the Torres Strait culture is unique to us in this part of the world. To have an opportunity to put all of this work on display in a commercial environment that brings these artists to the attention of national and international dealers I think will be the beginning of a very significant leap forward for these artists. That, in turn, returns economic opportunities to those communities, particularly those communities in very remote places.

It will not be only visual arts. We will expect to see print-making demonstrations, workshop programs as well as dance performances. The dance performances will include students from Djarragun College, a concert with Christine Anu, local band Zennith and local performers Will Kepa and King Kadu. It will also have a very strong children's program including workshops and story-telling with Indigenous artists and personalities.

I think this will be a very strong first outing for this new fair. I think it is very important that people from across the state appreciate the remarkable artists, particularly some of the young artists that are emerging in places right across the cape and in places like Mornington Island. The member for Mount Isa will be very aware of the very strong artistic traditions of the people of Mornington Island and the

growing recognition that they are receiving nationally and internationally. I hope that this fair is another opportunity for them to add to this recognition. I look forward to seeing all of that work out there at this fair, to seeing those artists really shine and for this event to be a great one for the city of Cairns as well.

Mrs ATTWOOD: Good morning, Premier. It was my pleasure to represent you a couple of months ago at the Woodford Dreaming Festival. It was a fantastic event. There were over 4,000 people present. It was very well supported. Today, Premier, I would like to refer you to Queensland's major festivals mentioned in the SDS at page 1-2 and particularly to the Queensland Music Festival. Can you inform the committee of any additional information about this event, which I believe commences at the end of this week?

Ms BLIGH: Thank you for representing me so ably at the Dreaming Festival. I had to attend a Labor Party conference. I suspect you had more fun.

The music festival is supported by the Queensland government. It is also supported by the Australia Council's Community Partnerships Program. It is financially supported by the Brisbane City Council and by some other regional councils. It started in 1990. This year it is led by artistic director Deborah Conway. The funding from the Queensland government is an investment of \$3.2 million, with \$600,000 coming from the Australia Council over the next two years.

I think it is fair to say that this is the only genuine state-wide festival that Queensland operates. It is characterised by its capacity to work with individual communities and their artists, and make popular and interesting work that is well supported by their communities. While you will see a very strong outing from the music festival here in the capital city, you will equally see strong performances in other places right across Queensland.

It will open this Friday night with a concert on Thursday Island called Hidden Republic. This concert will see 33 Queensland Youth Orchestras' members sharing the stage with Black Arm Band members and local Torres Strait Islander performances. That event will also be shown live through webcast on the net and on a big screen in Brisbane Square. This will be the largest-ever performance on Thursday Island, so they will all be making history there on Friday night. I think it is a testament to the regional strength of this festival that they take it to such remote and often difficult to access places.

The highlights of the festival will include a great concert *Cannot Buy my Soul* with the songs of Kev Carmody. The concert will feature artists including obviously Kev Carmody but also locals like Bernard Fanning; Troy Cassar-Daley; Missy Higgins; John Butler; *Remember Me*, a dance performance by the award-winning dance company from Townsville; *Dancenorth*—and if you have not seen *Dancenorth* I encourage you to do so—and the Michael Nyman Band, which will be performing with Australia's leading Indigenous didgeridoo player, William Barton, and they will play in Rockhampton, Townsville and Brisbane. One of the emerging favourites of the festival, *Opera at Jimbour*, will again feature this year, with headliners Maggie and Katie Noonan performing on the grounds of the historic Jimbour House on the Darling Downs.

In all, we will see 34 events across Queensland, from Mount Isa—you will be pleased to hear, Betty—to Moranbah and south to Brisbane. It is a great opportunity for Queenslanders to get out and enjoy some of the cultural strengths that we have here. But, importantly, I think it is an opportunity to get some of those great performances into regional Queensland. I congratulate again not only the organisers for the stretch across the state but also those councils who have joined with us to make it possible for their ratepayers to enjoy it as well.

CHAIR: Premier, I had also intended to ask you about the production of *The Chronicles of Narnia*, with particular reference to the benefits of the project to Queensland. I note that you have addressed this in some detail in response to non-government members' questions, but would you like to add anything further about the benefits of this project to Queensland?

Ms BLIGH: I thank the member for the question. I would like to make a few additional comments. I should note that this will be the largest-ever Queensland based feature film. It is a multimillion-dollar production which will start shooting this year. Principal photography is scheduled from late July this month. So later this month we will see principal photography begin. The production office is based at the Warner Roadshow Studios on the Gold Coast, which, as I indicated earlier to the member for Surfers Paradise, is a great opportunity to grow the industry in that part of the world, but they are also spreading themselves across the south-east. Cleveland Point in the Redland shire will be one of the primary shooting locations. Other locations will be based in and around the Gold Coast.

This is a very large production and we will see many benefits to locals. The project is expected to generate an economic impact in excess of \$120 million and create more than 2,000 jobs. Often when we see these productions what you see on the screen are the actors, and they are what comes front of mind. But to undertake a production of this magnitude we will see set builders, technical positions, creatives and extras gaining work and invaluable experience on a major studio production.

As of today there are more than 80 people in the production's art department, and there are almost 200 construction crew working on set design and set builds. At a time when the construction industry, particularly on the Gold Coast, is doing it tough, pulling in people from the construction industry who would have otherwise been out of work means that 200 construction jobs are operational right now.

I am also very pleased that a number of Queensland heads of department have been employed on the project. The special effects supervisor, the extras casting, the sound recordist, the unit manager, the safety supervisor, the production manager and, naturally, the location manager are all Queenslanders.

There is clearly a spin-off effect of this—a benefit long term to Queensland's tourism, transport and hospitality sectors. The challenge for Queensland is to learn from the experience in New Zealand, where the filming of *The Lord of Rings* has been of extraordinary benefit to that country not only culturally speaking but also in terms of drawing a large tourism market to that country simply by virtue of the fact of that part of the world becoming known through such a popular production.

The *Narnia* series is becoming very well loved by families. This is one in a very long series. We would certainly hope that the experience the producers have here positions us well to hopefully secure further production of other movies in the series.

Mr SHINE: Premier, I refer to the SDS at page 1-45, which refers to the Queensland Art Gallery. The notes state that an increase in grants and other contributions is in part due to an increase in donations. What is the Queensland government doing to encourage public contributions to our major arts organisations?

Ms BLIGH: I thank the member for the question. Yes, there has been an increase, particularly for the gallery, in significant donations. In that regard I take the opportunity again to recognise the extraordinary philanthropic support particularly of Tim Fairfax and Philip Bacon, whose support for the gallery has recently been recognised in the naming of those two great supporters and benefactors of the gallery within both the Gallery of Modern Art and the Queensland Art Gallery.

I wanted to comment on another initiative that commenced some time ago. In July 2006, when I was previously arts minister, we commenced a program of a dollar-for-dollar matching subsidy for a number of our art statutory authority foundations. These funds are from the Community Investment Fund and provide up to \$250,000 each per annum. What this means is that our arts statutory authorities—that is, the State Library, the Queensland Museum, the Queensland Art Gallery in addition to Opera Queensland, the Queensland Ballet and the Queensland Theatre Co.—can go out to the corporate sector and say that every dollar they raise from privately sourced funds will be matched dollar for dollar by the Queensland government up to that maximum of \$250,000.

The advice from all of those organisations is that since we started this program in 2006 their ability to secure private funds has significantly increased. The subsidy has been fully drawn over each of the last three years, resulting in a total of an extra \$4.5 million in private and state funds for the Library, the Museum and the Art Gallery.

As I have said, we have also done the same for the Queensland Ballet, the Queensland Theatre Co. and Opera Queensland as the major performing arts bodies. In this budget we have extended the scheme for a further three years. In the performing arts area they have fully drawn on the subsidy over the three years, which has seen an extra \$1.5 million in private and state funds for the Ballet, the Opera and the Theatre Company.

These are not easy times to fundraise for any worthwhile purpose. What all of these statutory authorities and performing arts bodies tell me is that it has certainly helped their efforts to be able to indicate to private benefactors, whether they are companies or individuals, that if they put in a dollar then that secures another dollar from government. I think there is something in the Australian psyche that people like to feel that they are getting one over the government. I think this program has certainly succeeded as we originally intended it. Even in these tough times I was pleased that we could secure its three-year continuation in this year's budget.

Mrs KIERNAN: Premier, now that we are halfway through our Q150 celebrations, referred to on page 1-2 of the Service Delivery Statement, could you advise the committee of the progress towards delivering Queensland's 150th celebrations and in particular outline for us what Q150 has contributed to the creative arts and history particularly in regional Queensland?

Ms BLIGH: I thank the member for the question. She is right: this year we celebrate the 150th anniversary of Queensland's separation from New South Wales. On the eve of the third State of Origin, I think we would all agree it is a pretty good thing to celebrate.

Throughout the year and in the lead-up to this year the government has been working with local councils, arts organisations and community groups to deliver a program of celebratory events. The Q150 mosaic art project, which brings together the work of individual artists and communities throughout the state to create a permanent visual display reflecting the cultural and artistic diversity of our regions, is on track and will be displayed for the first time at the RNA Show, or the Ekka, and will be accessible via an online exhibition. Councils across the state have worked with their communities to put in place these mosaics that say something about their part of Queensland. I am looking forward to seeing them fully on display at this year's Ekka and to its being a permanent part of the Ekka.

More than \$4 million in community funding grants have also been provided to enable communities to mark the anniversary in a way that is relevant to their own region. These projects have included music and theatrical performances, festivals and exhibitions, all of which are recording, conserving and sharing our local culture and history.

Some of the examples include a book called *Queenslanders All Over* by Joan Burton-Jones. Joan lives in my electorate but has done a great job pulling together some of the work of extraordinary Queenslanders, both our sung and unsung heroes. We also have a \$100 million Q150 legacy infrastructure program which we identified two years ago on a matching basis with councils. It ensures that at the end of this year we will have lasting legacies of these celebrations.

For example, Winton Shire Council was granted \$500,000 towards construction of the first stage of the development of the world-class Australian Age of Dinosaurs Museum of Natural History. This, as the member knows only too well, is an extraordinary part of Queensland. The recent announcement of three new dinosaurs being discovered is a real credit to them.

Similarly, \$4 million has been allocated to Toowoomba's expanded Cobb & Co Museum for the development of the national carriage factory. It is an important part of investing in Toowoomba but also investing in our own cultural history.

As the member for Mount Isa knows, the steam train is on its way around Queensland. Train buffs from around the world have been captivated by it. In local towns and cities across the region, including Mount Isa, it has been warmly welcomed. We have seen lots of people out, particularly older Queenslanders with their grandchildren and their great-grandchildren, perhaps for the last time seeing a steam train fully operational. I look forward to the Shed having a very similar warm welcome across the state.

CHAIR: It is time now for non-government questions.

Mr LANGBROEK: Premier, thank you for your references to the Brisbane Festival and the Queensland Music Festival, the launches of both I have been to. With the melding of the Brisbane Festival and Riverfestival, could you give a guarantee to the committee about the ongoing funding for the Queensland Music Festival beyond 2009?

Ms BLIGH: I thank the member for the question. As I indicated earlier in relation to other questions, the Queensland Music Festival is distinguished from the Brisbane Festival and Riverfestival in two very important ways. One is that it is a festival of music as opposed to all of the arts. More importantly, it is a state-wide festival. It is our only truly Queensland-wide festival. The government remains committed to this festival.

I was very pleased to make a partnership with the Brisbane City Council and Lord Mayor Campbell Newman to bring together the two festivals—the Brisbane Festival and the Riverfestival. There is a whole lot of interesting background, politics and personalities involved in how we ended up with two festivals. I note the former member of the Brisbane City Council smiling wryly at your side.

I think it is fair to say that the time has come for us, like other capital cities, to make the most of the opportunity that a festival presents to promote the capital city and to promote Queensland artists through that capital city festival. To do that we really need to provide certainty. Having different festivals every second year was pretty confusing for the national market. To have one festival that brings together all the resources that both the council and the state can bring to it gives us a real opportunity to take our festival season to a significantly new level. So I am looking forward to seeing this year's festival.

Clearly, the Lord Mayor was rightly concerned to make sure that some of the unique features of Riverfestival, which really position us as a river city, were preserved. We will certainly be making sure that that occurs. We will be looking to improve on whatever happens this year in subsequent years. Having an annual festival, having it at the same time of year and having some real certainty about it on the national calendar I think is a very significant step in the right direction. I look forward to it paying dividends not only for all of those Queenslanders who get a chance to see it but also for all of those visitors we can attract from other parts of Australia and all of the artists who have an opportunity to show off their talents.

Just going back to the Music Festival, I confirm for the committee that there was an increase of some \$600,000 in the Queensland Music Festival budget this year. In large part, that was to ensure we could continue to secure matching dollars from councils to make sure it was truly a regional festival.

While I am on this subject, I am pleased to have an opportunity to put on the record my thanks to Lyndon Terracini, who is the artistic director of the Brisbane Festival this year and has contributed to the great success of the Queensland Music Festival in his previous responsibilities. As I am sure you are aware, Lyndon has been stolen from us by Opera Australia. I think it is a great credit to him to be recognised in such an important national position. I have already made it clear to him that I expect that means Queensland will see something of Opera Australia, which we have not seen for a long time.

Mr LANGBROEK: He was actually credited at the launch of the Brisbane Festival with going to the Australian Ballet. Whilst he would have been happy, that is not his forte.

Ms BLIGH: He is a better singer than he is a dancer, even on his own admission.

Mr LANGBROEK: Exactly. Can you confirm that the Queensland Music Festival will continue beyond 2009?

Ms BLIGH: Yes, I did that at the beginning.

Mr LANGBROEK: Thank you. Given that there has been extra funding of up to \$5.3 million per year for the Brisbane Festival with the amalgamation, will there be some promotion of the festival throughout the regions in Queensland?

Ms BLIGH: Yes, there will. The additional funding is to recognise that this festival is now an annual festival, not held every two years. But it also recognises that if we are going to take advantage of the opportunity this gives us then we need to also put in place some serious marketing initiatives. We will be marketing it right across the state. We will be marketing it across Brisbane. We will also be marketing it interstate.

There are many people who time their annual holidays around festivals, whether they are in Adelaide, Sydney or here in Brisbane. We are obviously putting this festival on at a time which we think will be attractive to a national audience. We are also very committed to ensuring that this festival not only brings big headline acts that will draw attention and bring people from right across the state but also ensures that those people who live in the suburbs of Brisbane see something of this festival not only in the major cultural institutions like the Performing Arts Centre but also in the backyards and shopping centres of their suburbs.

We have seen a number of pretty innovative ways of this happening over the last couple of experiences of both Riverfestival and the Brisbane Festival. I do not know whether any of you saw it, but a wonderful tap-dancing group put on a performance on the roof of Indooroopilly Shopping Centre and drew large audiences. They were free performances. That is the sort of thing that gives people an opportunity to come and see something locally, in addition to the large headline productions that will draw people from other parts of Queensland.

We will be marketing it across Queensland because we want to get as many people here as possible and to make it as big a success as we can, but we are also very consciously and aggressively marketing it in the national forum. We want people to consider coming here when they might not have otherwise and bring tourism and hospitality dollars here.

Mr LANGBROEK: I take your point that people do coincide their holidays with festivals. The member for Clayfield is known to have his holidays to coincide with Livid or Splendour in the Grass.

Ms BLIGH: Noted. I am sure that we can make use of that somehow.

Mr LANGBROEK: I refer to the SDS at page 1-2 and the commitment of \$9.8 million for the small to medium arts sector. Will you provide the committee with the current breakdown of this funding on an annual rolling and triennial basis and also advise the committee about how small groups can plan on a long-term basis because of the problems with this in terms of surety, given the differences between this annual rolling and triennial funding?

Ms BLIGH: Yes, I can do that. The small to medium arts sector funding provides funding to both individuals and groups. Some 45 organisations are recipients of this funding. The Queensland Arts Council also receives touring funding from the program. I do have a table here which I can provide to the committee. It ranges, for example, in the Creative Communities area from Access Arts getting \$180,250 on a triennial basis to Arts Nexus getting \$76,000 on an annual basis to Contact getting \$127,720 on a triennial basis. They are based in Brisbane. There are regional groups such as Crossroads Arts in Mackay which gets \$101,848 on an annual rolling basis and so on.

So there are a number of organisations. As I said, it would probably be best if I table that for the benefit of the committee. But it does come to some 45 organisations. As you say, it is actually \$9.77 million. The balance of that is invested in industry development initiatives to address gaps and emerging priorities and to strengthen some of our regional service delivery.

There are three categories: triennial, annual rolling and annual. Obviously there are different levels of security of funding there, but rather than commit to locking up the funding to new organisations, it is really, I suppose, a testing process and as organisations emerge and grow and become more stable then we are in a better position to make a judgement about the value for money that taxpayers are getting.

CHAIR: Did I hear that you are seeking leave to table that document?

Ms BLIGH: Yes.

Leave granted.

CHAIR: That concludes the time for the examination of the portfolio in relation to the ministry for arts. Thank you, Premier, and thank you advisers.

Ms BLIGH: Thank you. I have two outstanding questions on notice. One was the breakdown of the gallery funding in relation to art acquisitions and the other is PFTC travel. Is that the committee's understanding?

Mr LANGBROEK: Yes.

Ms BLIGH: Thank you. I will try to have that to you by the end of the session.

CHAIR: As a former member for Yeerongpilly reminds me, arts is at the core of all government activities. So thank you for coming and participating in this examination. The committee will now take a break and be back at 10.45 am sharp.

Proceedings suspended from 10.31 am to 10.45 am

CHAIR: The committee now resumes for the period 10.45 am to 12.45 pm. We will begin with non-government questions. The member for Surfers Paradise.

Mr LANGBROEK: Thank you, Mr Chairman. Welcome back, Premier, and can I also welcome other government officials from the Department of Premier and Cabinet and other associated agencies. Can I wish you a happy birthday, Premier. I understand that it is your birthday.

Ms BLIGH: Thank you.

Mr LANGBROEK: My first question is to the Premier. The government and the Labor Party have previously said that the 2008-09 infrastructure program would create 119,000 new jobs. But statistics from the ABS—and I table a copy of them—show that during the 2008-09 year, in fact, 3,100 full-time jobs were lost. My question is: given last year's outcome, are you deliberately misleading Queenslanders by saying that 127,000 new jobs will be created this year?

Ms BLIGH: I thank the member for the question. I think what you will find is whenever we have talked about the building program we talk about two things and that is supporting jobs and creating new jobs. That is, those people who are currently employed working on some of these construction projects will continue to be employed because we continue to invest in the project rather than scrap it from the program and those projects that come on line and start this year will employ new people. If you take, for example, the member's own electorate on the Gold Coast, the rail line from Robina to Varsity is a good example of a project that goes over a period of time and employs people the whole time that it is being built. Similarly, when a new project comes on line, such as the hospital at the Gold Coast, there would be people employed on a ramping-up basis through the life of that construction.

So were approximately 119,000 people employed on those projects? Yes, they were. Were there other job declines in other parts of the economy during the same year? Yes, there were. We all know that the mining industry, for example, has seen a very significant downturn. We know that the construction industry has seen a very big downturn, particularly in the commercial and large scale sectors such as the shopping centres and resorts area. So were there 119,000 people working last year as a result of the government's significant multibillion dollar plan? Yes, there were. Will we see that employment rise as a result of further investment in building this year? Yes, we will.

Mr LANGBROEK: Premier, on 6 November 2008 you told the ABC that big infrastructure projects like Airport Link are important because they create jobs. Now you say that these projects do not necessarily create jobs but they support existing jobs. I table a copy of that article from 6 November.

I ask: were you deliberately misleading the people of Queensland when you said that the infrastructure program would create new jobs?

Ms BLIGH: I refer you to my previous answer and make the point again that the infrastructure program does both. It supports jobs, that is, if someone is employed to work on a project like the Gateway upgrade they are employed for the entire time of the project or the entire time that their particular skill set is needed on the project, but through the life of that project more people will be employed as it goes into different phases of construction.

So, for example, when I made those comments in November in 2008, there would have been very few people working on Airport Link at that time because it was still in the very early stages of construction. Since November, literally hundreds more people have been employed on the Airport Link project. So has the Airport Link project created new jobs since November 2008? Absolutely. Will it continue to create new jobs this year as construction ramps up? Yes, it will, and those people who were employed in, say, January will continue to be employed. So they will not be sacked—they will continue to be employed—but they will be joined by new people taking up new jobs in that area.

Mr LANGBROEK: But that could mean that that will be counterbalanced by people losing jobs in other areas. That is my question about the ABS statistics reflecting full-time jobs, and clearly last year we lost 3,100. I would have expected that most people would have thought that we would see those statistics increase by either 119,000 for the year just ended or 127,000 for this year coming up.

Ms BLIGH: It is an interesting observation. I think that most people understand that the world is facing the most extraordinary economic downturn that we have seen for three-quarters of a century. I have repeatedly said, and I think people understand, that this is having an economic impact on Australia

and on Queensland and it is an impact that we expect to see get worse before it gets better. Our unemployment forecasts not only at the state level but at the federal level clearly demonstrate that we anticipate unemployment levels to grow in the short term before they recover. However, we have committed ourselves over the next three years each and every day, each and every week, to continue to do everything we can to create and sustain and protect and secure jobs. That means keeping and looking after the people who are already in work wherever we can and creating new jobs wherever that is possible.

How do you do that? As I have outlined many times, one of the most important planks is our jobs creating building program. This is the stimulus package of the Queensland state government. I know that the opposition does not believe that we should have a target of creating 100,000 jobs. I unashamedly set this government a target to create jobs and I unashamedly and aggressively expect every minister every day to be ensuring that they are doing everything they can to meet that target.

I have put the question several times and get no answer from the opposition. If you think 100,000 jobs is too many to aspire to, what do you think Queenslanders should expect? I think 100,000 is a big target, but I think Queenslanders deserve a big target. I have not heard anything from you or from any of your economic spokespeople that would indicate that we should drop the target. I have not heard what your target is. So people know what I stand for. I stand for getting up every day and creating 100,000 jobs over the next three years

Mr LANGBROEK: Thank you. I am happy to answer those questions if you want to turn the procedure of estimates around. But in the meantime, could I refer to the asset sales, Budget Paper No. 2, page 12, and ask the Premier: during the election you talked about tough decisions and now you say that the asset sales are those kinds of tough decisions. I ask: Premier, why did you choose to hide the possibility of asset sales during the election campaign and deliberately mislead the people of Queensland?

Ms BLIGH: Again, I would refer the member to my answers to this and similar questions that you have put to me in the parliament. The premise of your question is wrong. When I was questioned about these issues and when my Treasurer was questioned about these issues during the election campaign, we made it very clear that these were the sort of things that might have to be contemplated. We actually expressly said that we could not rule them out and that was reported publicly. So any suggestion that they were hidden is completely erroneous.

But let me turn to the question of asset sales. These are difficult decisions. I notice from repeated assertions from you and the opposition that you believe that Queensland should be working to bring down its debt levels. How do you do that? The asset sales are a very significant plank in our government's determination to reduce our level of debt going forward. I understand that this requires people to think differently about what government owns and what government does not own and what our priorities should be. Again, we have set out our proposals. We are now in the process of establishing a sale team to achieve that.

What reducing those debt levels going forward does is give Queensland the best chance of recovering its AAA credit rating and putting us in a much stronger position going forward for future governments to invest, whether it is through direct investment or future borrowings, in further infrastructure that this state will continue to need now and long into the future.

So as I said, I think the premise of your question is completely wrong. In fact, the entire basis of this state election was about the difficult circumstances faced by the Queensland state budget and the fact that whoever was elected would have to make decisions to take Queensland forward in the toughest of economic circumstances. That, in fact, was the whole basis. That was the political divide in the election campaign.

We laid out our priorities and our priorities were at all costs to protect the building program, and that is what we have done. What that building program is doing is employing more than 100,000 Queenslanders right now and it will create new jobs this month, next month and every month this year.

Mr LANGBROEK: Premier, my next question refers to our credit rating and relates to Budget Paper No. 2, page 13. Following the release of the December 2008 mid-year review and prior to the release in February 2009 of the *Economic and Fiscal Update*, I ask: did you receive advice that the state's credit rating could be lost?

Ms BLIGH: Every year when we put together the budget, obviously some of the issues that we contemplate are in relation to levels of borrowing and risks that that might put on the credit rating. The period of time that you allude to, which was I think from December—from the mid-year review through to February—clearly there were issues, in the lead-up particularly to the February statement, that were very clear in the government's mind. We understood that this was going to be a very difficult budget to put together and we made that clear by making it public, by giving the opposition, by giving the public, by giving the media—by giving everybody—access to just how difficult that was.

What is clear is that what the credit rating companies want is for Queensland to cut its building program. We have indicated that we are not going to do that. I have not heard anything from the opposition that indicates that they would cut the building program—I have not heard it recently; I

certainly heard it in the lead-up to the election and obviously voters heard it as well. I have not heard one single project that you think we should not be entering into. I think, having had a very rigorous, careful look at our building program going forward, every single project is absolutely necessary. I cannot see a project that we should scrap. It might be all very well for rating agencies to sit down and look at a set of numbers, but they do not live here. They do not know what it is like to drive on our roads, to try to make sure that we are rolling out schools at a faster rate than anywhere else in the country, to upgrade our hospitals, to meet the services and infrastructure that the fastest-growing part of Australia needs.

We have made a clear commitment to the people of Queensland. The clearest possible commitment that I could have made in the election campaign was that I would keep the building program going and that I would be committed to growing jobs. That is what we have delivered in this budget. Look in this budget and you will see the continuation of the state's election commitments to keep our building program going.

Mr LANGBROEK: In that case, Premier, can you confirm you did receive information that we may have a downgrade to our credit rating and chose not to advise the people of Queensland in the lead-up to the election?

Ms BLIGH: No, I did not get specific advice in that regard, but these are matters that are considered every time you put together these sorts of public statements. Clearly, the rating agencies had issued public statements that there was some pressure on our rating. That was in the public arena; there are no secrets about that. The credit rating agencies are very open, public organisations. In terms of whether or not I told people during the election campaign—this was released on Friday, the rating agencies made the statement publicly, and I called an election three days later. So I do not think you can say that I hid it.

Mr LANGBROEK: My next question—still on the credit rating—is: when did the Premier first seek advice on what actions would be required to restore the AAA credit rating?

Ms BLIGH: The day after the election I called the Treasurer and said that we would have to convene a Cabinet Budget Review Committee as a first priority once the ministry was fully sworn in during that week. I do not have the date on me now, but we had a first meeting of the Cabinet Budget Review Committee sometime in the first fortnight after the election. The Treasurer certainly got to work with Treasury looking at the formation of the 2009-10 budget. Clearly, the credit rating restoration was always going to be one of the important priorities. However, it is one of our important priorities, but it is no more important than keeping the building program going. What you see today is a budget that juggles those joint priorities—a budget determined to work towards getting that rating back, a budget determined to reduce our debt levels but equally determined to keep the building program going. That is what I promised the people of Queensland and that is what we have delivered.

Mr LANGBROEK: My next question is again on asset sales and credit ratings. Premier, despite the sale of assets prospectively over the next three to five years, the measures that you have put in place will not return Queensland's AAA credit rating, and I know that you said it is a priority. I am wondering if you could advise the committee as to how long that could potentially take? I ask: what is the next step in your plan to recover the AAA rating?

Ms BLIGH: I thank the member for the question, and this was canvassed very widely during the budget in June this year. The Treasurer has already indicated publicly that the return of the AAA credit rating is unlikely to happen under the next five years, but that does not mean we will not work every single budget to do what we can to bring that forward. Clearly, a number of factors will come into play. The scale of the return on assets through the sale process and the ability for us to then return those sale proceeds back to retiring debt will be one factor. While there are Treasury estimates on what the return on assets will be, that is a matter that we will not really know the answer to until we have gone to market. We would be hoping to do obviously as well and certainly better, if possible, than the Treasury estimates. I do expect there to be pretty good competition for some of those assets.

Secondly, obviously the rating is a formula that is a combination of the ratio of liabilities to revenue. The liabilities side of the equation is obviously assisted every time we are able to retire debt and the asset sales will go a very long way to not only retiring existing debt but forgoing significant planned debt—projected debt—forward. So we can certainly pull that back significantly. The other part of the equation in terms of the AAA rating is revenue. This is a question obviously where Treasury has forecast what they think will be the revenue growth in some of our areas over the next forward estimates period. I think it is fair to say that our Treasury, like the federal Treasury and like every Treasury in the world, is forecasting in the most uncertain of times. It may well be that we will see an economic return deliver higher levels of revenue than forecast, but that is not something we are banking on. If, however, we do see higher than forecast levels of revenue, then that will bring the AAA credit rating back into line sooner than currently forecast. So on current predictions of asset sales and current forecasts of revenue we anticipate somewhere in that five—potentially 10—year range that is already on the record. If there are decisions that we can make—and this will be considered each and every budget—we will certainly be taking them.

Mr LANGBROEK: Following on from something you said in that answer, I understand that, when you are talking about considering our debt position going forward, that is the government's intention. Can you advise the committee as to whether you are anticipating that we will not add to our—in the outyears—\$85 billion worth of debt?

Ms BLIGH: We do not have that level of debt yet. That is a forecast level of debt. In fact, we will never get to that level of debt if we are successful in the predicted asset sale process. That process will, firstly, allow us to retire, as I said, a significant amount of debt with the revenue from those sales but, importantly, it will allow us to forgo a little over \$12 billion worth of debt over a five-year period. So it is just a little bit beyond the forward estimates period. That will certainly make a very significant dent in that projected level of debt.

It is my clear expectation that we will never see that \$85 billion eventuate. That is obviously there in the papers predicated—you cannot put into the budget papers the benefits of the asset sale as an accounting measure until you have achieved it, and you would not expect to. However, Treasury has certainly outlined—and you will see this in Budget Paper No. 2 on page 14—a significant reduction after the asset sales. That is a prediction; that is all it is and all it can be at this stage. You will see a much healthier curve there on the basis of the asset sales, which is why frankly I think you guys should have supported it. Without it, any comments that you make on debt, frankly, are disingenuous. You cannot complain about levels of debt, refuse to comment at all on what you would cut in spending and not take any measures to support a program that will actually forgo that level of debt.

Mr LANGBROEK: Thank you for your guidance.

Ms BLIGH: You need it.

Mr LANGBROEK: I move now to SDS No. 2, page 2-4. During the election you released a policy called Skilling Queensland, which I table. It stated—

This policy will now require private companies who are awarded State government contracts to have 10% of all labour hours attributed to apprentices and trainees.

However, in answer to question on notice No. 477 published on 7 July 2009, the Treasurer said in relation to your government's infrastructure program—

The Government does not require private sector proponents, contractors or tenderers to provide information on the labour market history of individual workers in each company.

I ask: Premier, is this yet another broken promise from your government just four months after the election? I table that answer to the question on notice as well.

Ms BLIGH: I would have to see the question and the answer. So I am happy to have a look at it before commenting on it. I am not sure what is intended by the words 'labour market history' in that context. I can say that we are very clear and we have not only made an election commitment in this regard but we have signed up to a national agreement with the Commonwealth of Australia to implement a policy seeking 10 per cent of apprentices and trainees, firstly, on all federally funded projects. We already have a policy in relation to the state—I do not know if that was the right amount of time.

Mr LANGBROEK: We only had a short time.

CHAIR: We will finish the question, Premier, and then we will go on to government questions.

Ms BLIGH: I am happy to finish the answer. We already have a policy in relation to standard procurement for state agencies which we have implemented for a number of years, but we have extended it as part of the election commitment to non-standard procurement if you like, whether it is PPPs, special purpose vehicles, alliance contracting so that we capture the broadest possible range of projects. Obviously there are some projects that are very small so that it is impossible—I just cannot remember the threshold of the size of the project. If you only have three people we are not going to insist on half a person. It is a sensible cut-off. I will have a look at this question and I am happy to make comment in the next session.

CHAIR: We now begin a session of government members' questions.

Ms BLIGH: Sorry, I think we should actually take this because this is inviting the question of the Treasurer about how many long-term unemployed Queenslanders were employed on every infrastructure project. The Treasurer's answer was that—

The Government does not require private sector proponents ... to provide information on the labour market history of individual workers ...

This has got absolutely nothing to do with apprentices or trainees—another dishonest question. The Treasurer was asked how many long-term unemployed Queenslanders were employed on each infrastructure project. We do not ask people's labour market history, that is, when we employ Boulderstone or Leighton they get labour from wherever they can and we do not require them to report on whether someone has been a long-term unemployed person. When we seek to report on apprentices

and trainees, the companies are required to report on the number of apprentices and trainees that they have employed. Given that they get a very attractive payroll tax rebate, that is something that is in their interests to collect the data on.

CHAIR: Premier, I would now like to refer to pages 1-3 and 3-164 of the SDS, particularly in reference to the state government's Q2 vision and the aspect of that vision which sets targets to make Queenslanders Australia's healthiest people. I am wondering if that vision could also provide a smart vaccination solution to reassure parents such as Mr and Mrs McCaffery, who lost their baby girl due to whooping cough on 9 March 2009.

Ms BLIGH: I thank the member for the question. The member might recall that I raised this matter in the parliament during the last sitting, or it may have been the sitting before. I am sure everyone is aware that Queensland and Australia have a very successful childhood vaccination program for whooping cough. In fact, almost 94 per cent of two-year-olds are fully vaccinated. Frankly, I would like to see that 94 per cent grow up into the much higher nineties, but worldwide that is a very strong program.

Despite this, what we are seeing in Australia at the moment in relation to whooping cough is a very serious national outbreak. In just the first three years of this year in Australia more than 8,000 adults and children were diagnosed with whooping cough. That is seven times the figure reported nationally this time last year. We have seen a sevenfold increase in a serious, preventable disease in Australia in the last 12 months. It has resulted in the death of three babies in Australia this year. Thankfully, none of those were Queensland babies, but Queensland's share in the spike in rates of whooping cough is an alarming 400 per cent, so a fourfold increase in whooping cough diagnosis in the last 12 months. Childhood immunisation efforts increased last year in response to this with 105,195 Queensland children vaccinated in the last financial year. However, as we have seen from the figures, the outbreak is continuing.

Routine immunisation of children starts when they are two months old and is repeated at four months and then again at six months. As I understand it, a child is not fully covered until they have had those three vaccinations. That means that our most vulnerable newborns and very young babies are at the highest risk of contracting this disease because even with the most responsible of parents implementing the vaccination program properly, those children do not get full coverage or immunity until they have had the full three series at the age of six months. Of course, brand-new babies are too young to immunise. The majority of newborn cases of whooping cough are in fact acquired from adults. Basically, this means that these children are exposed to an illness that is preventable.

That is why I am very pleased to advise the committee that \$3 million has been allocated within Queensland Health for an intensive six-month effort to provide free vaccination for parents of newborns to crack this outbreak. This will be the first time that we have provided a strategy such as this. In health terms I understand it is called a cocoon strategy. It is aiming to protect the most vulnerable until they are old enough to receive their own childhood booster vaccinations. This is a new initiative that will be rolled out for six months from 1 August. It will be a program that will provide free vaccinations to the parents of all newborn children. The adult vaccination for whooping cough is not on the national immunisation register. So it does require Queensland to make additional funds available, and this \$3 million will do just that.

CHAIR: Noting that the Q2 target to make Queenslanders Australia's healthiest people is about having a target across the life span, how do you intend to implement an adult vaccination program for whooping cough?

Ms BLIGH: I thank the member for the question. As I said in the parliament, in my view in a country like Australia babies simply should not be dying of whooping cough in the 21st century. The current outbreak shows a new trend for children under six months of age acquiring the disease. Medical advice suggests this is a difficult disease to control as the vaccination wears off over time and adults need boosters to stay immunised. Even if parents had the vaccination themselves as a child, without a booster they are at risk of passing it on to their babies. I think that many, many responsible adults and responsible parents are simply unaware that they may, in fact, be carrying this disease and that their own childhood vaccinations do not provide them with full immunity in adulthood.

So the new allocation of \$3 million will mean that by 1 August adult booster vaccinations will be made freely available to all parents of new babies and they will be made available to all of the 1,800 current registered immunisation providers in Queensland. That includes local governments, community health clinics, GPs and Aboriginal health services. We will have an intensive communications campaign to encourage all new parents to go to whichever immunisation provider they currently trust to administer their other vaccines. The vaccine will be available when new parents organise their baby's first check-up, generally between birth and four weeks, so that mums and dads can take the opportunity to get it then. New parents who miss this opportunity or have a baby older than four weeks but not yet old enough for their two-month childhood vaccination will be able to go to their regular immunisation provider for a booster.

Queensland Health will immediately undertake a direct mail-out through the Australian Childhood Immunisation Register to remind expecting parents about the free vaccine. That will take six to eight weeks to reach everyone, so we are asking GPs to play their role, too. GPs will write to their patients who are expecting or new parents with advice and put reminders on their medical records, and advice will also be made available through antenatal courses and classes for expecting parents. Labour wards and maternity units will have information available for new parents to take home after the delivery of their baby.

With full participation from new parents we hope to see a major impact on the progression of this disease. After this six-month intensive effort we will review whether we have had any effect on the continued spread of the disease. The health minister will also be taking this up at the national forums in relation to a national effort and perhaps looking at whether this should be on the adult national immunisation register.

All parents of babies born from 1 May will be able to access this vaccination for free. Clearly babies born on or after 1 May are in that zone where they may be either too young to have even had their first vaccination or may have had their first and second but not their full program of three vaccinations. So this is a very important effort to get on top of this disease. It is a terrible disease and can be life threatening.

CHAIR: It is a great initiative.

Mr SHINE: Premier, the very first item in your Service Delivery Statement, page 1-2, highlight 1, says that you will work to maximise employment opportunities in Queensland. Can you offer a tangible example of that?

Ms BLIGH: I thank the member for the question. As I have outlined in relation to earlier questions today, we made a very clear election promise that jobs would be our No. 1 priority, and we set ourselves a target to create 100,000 jobs. We indicated we would do this in a number of ways, predominantly through our building program but we would also be working to encourage new industries here to Queensland.

I think one of the most exciting new opportunities emerging is the liquefied natural gas industry. I think it is fair to say that it is potentially liquid gold when it comes to job creation. We have a plan that will see an industry develop with potentially up to 18,000 or more jobs. Seven out of the eight LNG proposals are likely to be based or are proposed to be based around Gladstone, with one of the proposals examining the potential of the Abbot Point terminal in Bowen. Mackay, the Fitzroy and central west regions are set to secure potentially more than 14,000 jobs under these proposals.

The economic benefits from this industry mean the regional economies could grow by an estimated 8.3 per cent. That is an extraordinary rate of growth in what is, as I said, over the next three years slated worldwide to be continuing tough times. I am pleased to advise the member for Toowoomba North that the Downs and the south-west of our state are very likely to see upwards of 4,300 jobs coming in the upstream part of this industry—that is, that part of the industry that will be securing the coal seam methane gas necessary as well as the construction of pipelines in the early development phase. The economic benefits from the industry potentially mean that for the Darling Downs and the south-west of Queensland we could see economic growth of 4.4 per cent in those regions. Growth of that nature in a regional part of the state I think is very exciting, especially when we know that for the whole of the state we are projecting in this financial year just 0.5 per cent growth and the nation itself is projected to remain stagnant, with no growth.

The flow-ons to the region are obvious. Similar growth and opportunities occurred in the Bowen Basin in the seventies and eighties with the opening up of the coal industry. We expect that we could see that kind of growth, those opportunities and that sort of economic future replicated on the Downs and the south-west as well.

The government has established a specialised LNG industry unit with six dedicated staff. We have already seen six licences granted for exploration, four projects declared projects of state significance, negotiations for four land contracts for the purpose of developing the LNG facilities being progressed or finalised and in this year's budget \$15 million being allocated for the common user corridor from Callide to the Gladstone area.

I have met with industry representatives personally on a number of occasions. I should mention in relation particularly to the south-west and the Downs that there is a land use working group that brings together the industry and representatives of the rural and agricultural sector to look at the potential overlap of agricultural and mining purposes.

Mr SHINE: On a different matter, I refer to page 1-47 in the SDS with regard to the Queensland Events Corporation. Premier, can you please provide to the committee details of the review undertaken by David Williams and what changes have been implemented as a result?

Ms BLIGH: I thank the member for the question. My government commissioned a review of the Queensland events framework last year. I think it is fair to say, and it is important to acknowledge, that Queensland Events has been a very successful organisation. It did, I think, set the benchmark for government operated events corporations. We have seen a number of other states pick up the model and run with it.

It is equally true to say that after 10 years of operation it is also important to look at performance and to identify areas where we could be performing more strongly or where markets have changed and we need to refocus our attention. To that end I commissioned David Williams, who is someone with a lot of expertise in both an Australian and international context in events management and events procurement across both sporting and cultural events, to undertake a comprehensive review of structures and strategies. I am very happy to table for the benefit of the committee a full copy of that review. That is making that public for the first time.

That was provided to government in August last year. As a result of that review cabinet considered the matter. As you would be aware, I have appointed a new chair of Events Queensland. Mr Geoff Dixon has taken on that role. I take the opportunity today to thank the previous chair, Des Power. I am sure most members of the committee have worked with or dealt with Des in one way or another in their own electorates or in an event they have been associated with and can attest to the fact that he has been a passionate advocate for Queensland Events and he has been a tireless champion on our behalf. So I thank him for his efforts. I welcome Geoff Dixon. Geoff, I have no doubt, will be equally aggressive in his determination to bring events to Queensland.

What the review identified is that one thing we ought to be doing is breaking our efforts into five strategic areas: business events, stadiums, sports, cultural and regional events. We will be looking particularly to improve our performance in the business events area. I also thank all of the previous members of the Queensland Events Corporation and I am happy to advise the committee today of the new members of the Queensland Events board. Those members are Chris White, Tim Horan, Stephen Gregg—who is the new CEO of the Mackay and Cairns airports; he will be joining the board but will not take up his position for six months, he will wait until he has bedded down his new role as CEO and then come on to the board in six months time—Lisa Curry-Kenny, Cathy Hunt and Judith McLean. Cathy Hunt and Judith McLean work in the arts and cultural sector. I think people would recognise the great strengths that both Tim Horan and Lisa Curry-Kenny bring in relation to international sporting events. I also pay particular thanks to Councillor Paul Pisasale, who has served on the board. He has agreed to continue on the board until the end of the year to ensure appropriate transition, particularly in relation to the regional events program, and I will look to ensuring a senior local government rep replaces him. It is an exciting time for Queensland Events.

CHAIR: The Premier sought leave to table a document.

Ms BLIGH: I seek to leave to table the document.

CHAIR: Leave is granted.

Mrs ATTWOOD: Following on from the last question, can you please outline the achievements of the Queensland Events Corporation in the regions and in South-East Queensland?

Ms BLIGH: I thank the member for the question. I think one of the great strengths of the Queensland Events Corporation's efforts has been its determination to make sure that it not only secured major events for the capital city but also took the opportunities into regional Queensland, in both large scale events and some of the much smaller ones. They certainly have an impact out there on the ground, whether it is big opportunities like the 2008 Asia Pacific Screen Awards, which saw some 550 film industry people attend and the program distributed through CNN International's 900 global affiliates, all based at the Gold Coast, or whether it is the Gold Coast Marathon, which this year attracted a further 2,000 people, taking their numbers to 23,000 participants. As someone who was there on the day I know that just about every runner brings at least one friend or their family, so it ends up being a very, very large event.

The Australian PGA Championship at Coolumb in 2008 was its most successful ever, with 52,000 people attending and a huge national and international TV audience. That has an enormous economic impact on the Sunshine Coast. Similarly, the Paris Opera Ballet, in partnership with Queensland Performing Arts Trust, saw 25,000 tickets sold and people brought to Brisbane, with 20 per cent of those brought from outside of the state. The Mooloolaba Triathlon in 2008 saw 5,500 competitors and in 2009 saw 6,000 competitors, and the Noosa Triathlon had nearly 9,000 competition places last year. So those two triathlon events on the Sunshine Coast bring some 15,000 competitors and their visitors and guests.

There was the *American Impressionism and Realism* exhibition, a successful partnership with the Queensland Art Gallery following the success of Warhol and Picasso. I think the work that is happening now between Queensland Events and our large arts institutions, like the gallery and the Performing Arts Centre, are a very important part of its work.

The Queensland Events Regional Development Program has supported 98 events in our regions. The program has provided more than \$11.5 million to over 548 regional events since it started as a world-first initiative in 2001. They have been pretty diverse, whether it is the Abbey Medieval Festival in

Caboolture or the International Women's and Police Rugby League World Cup. It has supported events as far north-west as Camooweal with the Drovers' Camp Festival—I am sure the member for Mount Isa has been out there and I hope she did not fall off any camels while she was there—and the National Bronco Branding Championships, to the Airlie Beach Festival of Sport and the Burrum Heads Easter Fishing Classic. It also supports the arts with the Australian Festival of Chamber Music in Townsville and supports the FEI Eventing World Cup Qualifier in Warwick. Of course, the Australian Surf Life Saving Championships have also been secured by Queensland Events, back where they belong on the Gold Coast for 2010.

Mrs ATTWOOD: I refer to page 1-2 of the Service Delivery Statement and the Q2 green ambition of protecting our lifestyle and environment. Residents from my area of Mount Ommaney are concerned about the peak-hour congestion caused at the Toowong roundabout and Milton Road and are awaiting the Lord Mayor's Northern Link tunnel. Many South-East Queenslanders are concerned about congestion in our region. Can you inform the committee what action your government has taken to address this issue?

Ms BLIGH: I thank the honourable member for the question. This is an issue that I know concerns a number of people particularly in the south-east. We are in the fastest growing part of Australia and there is no better example of growing pains than congested roads, particularly at peak hour in some of our more built-up areas. We have a very strong record of fighting congestion in South-East Queensland. Before Labor was elected there was not one single kilometre of busway in south-east Queensland. Today there are more than 20 kilometres of busways carrying up to 18,000 passengers an hour in the peak. No other city in Australia and very few cities in the world have such a dedicated network. That has helped make public transport more desirable and has contributed to a growth in patronage of over 50 per cent in just the past five years. There are cities all over the world that are grappling with the question of how to get increased patronage rates on public transport. A growth of 50 per cent in just five years is certainly world leading.

In South-East Queensland public transport use has a mode share of 16 per cent, almost double the state average of nine per cent. We are now building the next stage of the busway network with the Northern Busway, the Eastern Busway and the Boggo Road Busway all under construction and all close to finalisation—all on budget, all on time. These projects are a key part of our plan to keep the Queensland economy strong and are expected to support more than 7,000 direct and indirect jobs. We have new bus services coming online. In the last four years the government has rolled out over 600 extra buses, providing more than 33,000 new seats for bus commuters. When we put those bus services on the road, we take people out of cars. That helps with congestion. When we take those buses off the road and put them onto busways, that takes those buses out of peak-hour traffic onto dedicated busways and frees up traffic movements.

Rail commuters are also benefiting. In 2008 we delivered a third track between Salisbury and Kuraby and a second track between both Mitchelton and Keperra and Helensvale to Robina. Those upgrades allowed us to add new services that provide 3,150 extra seats in the morning peak. At Easter this year the Caboolture to Beerburrum upgrade was commissioned, with trains now running on the new track. Work is now continuing on the 4.1-kilometre extension of the Gold Coast line from Robina to Varsity Lakes, as it is on the Darra to Richlands line. The Darra to Richlands line is the first new track laid I think for more than a decade—probably more than two decades—in the Brisbane metropolitan area. We have had duplications, but to open up an entirely new rail line is a very significant part of the new network. We are actually rolling out a new three-car set of trains every month, and again that is delivering additional services to people during the peak hour.

CHAIR: Thanks, Premier. It is time now for non-government questions. Member for Surfers Paradise.

Mr LANGBROEK: Thanks, Mr Chairman. Premier, in 2008-09 your government underspent the Capital Works Program by \$900 million which, according to the answer that you provided to me and to this committee in the answer to non-government question on notice No. 4, cost 6,786 jobs, which is about the number of full-time working women who have lost their jobs since August 2008. Premier, keeping the infrastructure program going was your core commitment to the people of Queensland and to the women of Queensland who are today unemployed, and I ask: did you deliberately mislead the people of Queensland when you said that they could count on you?

Ms BLIGH: I thank the member for the question. It is not necessarily the case that the difference in the spend compared to the actual would see losses of jobs. In fact, it is very unlikely to be the case. As both I and the Treasurer indicated at the time of the budget being brought down, as you would be aware, we have probably had the wettest of years in 2008-09 that we have seen for possibly a decade, but certainly the wettest in the last five or six years. So we had a number of major projects that were significantly delayed because of rain. That does not mean that there are not people working on those jobs. What it does mean is that the jobs may have been delayed in their start. It may be that they did not make the progress that they expected to make and therefore they have not spent all of their money on materials and other supplies. It may mean that, while there are people working on those jobs, rather

than starting the job in August they could not get onto the job until September or October, so they may not have had the full 12 months of employment but they have in fact got the job and are working as of today.

So it is not surprising in our wettest year on record for some time that we would see a number of major projects experience significant rain delays. That was one of the major reasons. In a program of some \$17 billion, all major projects were actually started during the time or were continued. There were no projects that did not start, so they all did actually employ people. As I said, in some cases the ramp up may not have been quite the rate that they had anticipated, but some of that underspend is as much related to materials and supplies as it is to employment.

Mr LANGBROEK: Thank you. My next question relates to SDS Book 2 at page 2-4. The labour market research unit in your government has stated that keeping young people employed and giving them opportunities in the future will be one of the most challenging aspects of the current downturn, and I ask: how much harder do you think it is for a young person to get a job when your government is failing them on education?

Ms BLIGH: I thank the member for the question. I think that around the state, around the country and around the world one of the biggest challenges during the global financial crisis and the economic downturn that we are seeing is to ensure that this year's cohort of school leavers and next year's cohort do not become a lost generation, as we have seen in other serious downturns over the last 50 years. Young people are often disadvantaged in the labour market partly because they do not have as much work experience as some of the people they are competing with and many of them, by virtue of the fact that they have just entered the labour market, are by definition going to be low skilled.

I am very pleased that we have joined with the Commonwealth in a number of programs. Firstly, with the Commonwealth government we have committed to a youth compact. This will be a guarantee of a TAFE training place for anyone who meets the eligibility criteria aged up to the age of 24. Sorry, but I am not sure if it is from 16 to 24 or 18 to 24. I think it is 18- to 24-year-olds. That is a very important prioritisation within the training budget to make sure that those young people who are leaving school who are coming into the labour market who may not have the skills necessary to pick up a job in very tough labour market circumstances can actually access those skills through a government funded place so that as the economy turns back up we will see them coming into the labour market with skills.

There is no doubt—as I have said, we have seen it in other times of economic downturn—that young people can often be disadvantaged in the labour market. That is why we are putting in place a number of projects. The other program that I think is important is our out-of-trade apprentice register for those young people who unfortunately might have started an apprenticeship 18 months or two years ago and suddenly their employer is facing the prospect of going out of business. We do not want that young person to fall between the cracks. The Out-of-Trade Register is proving to be a very successful mechanism for keeping track of those young people and putting them in contact directly with other employers or into group training schemes or into the non-practical component of their training in the short term—that is, bringing that part forward so that they do not lose their apprenticeship.

This time last year or maybe a bit earlier one of the most common concerns being issued to me from business—and I am sure you were getting the same thing—was skill shortages, and the worst thing that we could do is drop our training effort during the next couple of years. That is why you have seen us invest significantly into probably the largest—between the state's additional funds and the Commonwealth's funds—increase in training apprenticeships and traineeships that we have seen in the history of Queensland, and we look forward to rolling that out and to young people getting the best possible share of that.

Mr LANGBROEK: Thank you. In that case I want to refer to another program from the Department of Employment, Economic Development and Innovation, and I still refer to SDS Book 2 at page 2-4 and the \$320 million Skilling Queenslanders for Work initiative as detailed on the DEEDI website, and I ask: how many programs and how much taxpayers' money is being spent plugging the gaps in Education Queensland and teaching young Queenslanders basic literacy and numeracy skills?

Ms BLIGH: I think you are referring to the wrong part of the document. Skilling Queenslanders for Work is not a school based program.

Mr LANGBROEK: No, this is on the DEEDI website. My point is that I think a lot of those programs are actually basic literacy and numeracy skills which are a consequence of young people not having those skills and that is why they are needing to access these programs, which should be skilling them for work but are basically skilling them in literacy and numeracy.

Ms BLIGH: These are actually work placement skills. These are programs that assist young people into structured training like traineeships, for example. They are working with young people to ensure that they have the skills necessary to get into the labour market and, importantly, to stay in the labour market. This is a very important part of the suite of programs that government provides. I can advise you that we will see some \$101.7 million invested in 2009-10. It will create 8,935 jobs to assist some 21,000 Queenslanders. We are building on the more than 24,000 Queenslanders who were assisted last year.

This is a program that is actually providing a lot of assistance to people right across the state. The program not only targets young people, although they are one of the target groups, as are retrenched workers and groups most at risk of long-term unemployment. Some of the people who are most at risk of long-term unemployment are people from languages other than English, people who might have a history of mental illness and people who might have some form of disability. Yes, there are parts of this program that assist people with issues around language, literacy and numeracy, but that is not only in relation to young people. People who are in significantly older age groups who have successfully worked in relatively low-skilled jobs who find themselves retrenched may need assistance in that regard in accessing other industries, and that is what the program does.

Mr LANGBROEK: Thank you. Again, at SDS Book 2 page 2-4 I refer to the rapid response teams. Premier, your much-vaunted rapid response teams initiative as part of the Worker Assistance Program is a duplication of the federal government's initiatives in this area which has 30 times the funding that your government provides. Given that the federal government provides better serves and more assistance in this area, have you kept your programs in this area for blatant political reasons rather than redirecting those resources to less-publicised programs that are providing real support to unemployed Queenslanders?

Ms BLIGH: I thank the honourable member for the question. I am disappointed to see him attacking the work that our rapid response teams do. What we have seen unfortunately is a number of large companies and medium sized companies go to the wall or be in a position where they have to have large scale shedding of jobs. As I indicated earlier, some of the people who find themselves in this position are people who have never been unemployed in their life and who have never had any contact with any government agencies or assistance programs and would not know where to start in terms of getting the assistance they need. As you would be aware, many of these companies have not given people a lot of notice and many of these people have mortgages and families that depend on them.

The work that our rapid response teams do assists people not only to access state government support but we are working in partnership with the Commonwealth and with Centrelink, and wherever possible we are doing these programs jointly, so that those people who may need assistance on accessing Centrelink payments and family support payments—again, people who have never been on welfare in their lives—can get this sort of information. We now have 11 rapid response teams comprising 66 officers to ensure that we can get people back into work and get them assistance as quickly as possible. Frankly, I think it is important to recognise the success that these officers have had. Up to 30 June, there had been 1,213 calls to the hotline. Some 768 callers registered then after the call for specific assistance. Of the callers registered, 61 per cent have now been able to return to employment.

The rapid response teams have been fully supported by industry and by unions. Major companies have requested the assistance of the rapid response teams to be involved in very early intervention with individuals affected by downsizing. So what we have seen is increasingly when large companies are in a position where they have to shed jobs they have actually contacted the government and asked for the rapid response teams to come and work with their HR people, because, similarly, many of the HR people in these organisations have never dealt with large scale downsizing. They have been in a period of significant growth. As we see the global financial crisis take its toll, these are a set of skills that are not necessarily readily available to some of the companies experiencing these problems. I do not think that those 1,200 people who have sought assistance personally or those companies that have requested the government to assist them would see any of this investment as a waste of money.

Mr LANGBROEK: Thank you, Premier. My next question relates to Budget Paper No. 3. The Auditor-General report dated 31 May 2009 provided an opinion that policy coordination across government was weak and ineffectual. Given that the government this year will spend almost half of the money spent on infrastructure by the Beattie government between 1998 and 2007, what are you doing to correct this lack of leadership in your government?

Ms BLIGH: Sorry? The half of what?

Mr LANGBROEK: Between 1998 and 2007 the Beattie government spent \$37 billion on infrastructure and, as I understand—

Ms BLIGH: Okay. I just was not sure what the question was. Yes, you are absolutely right. That is a testament to the strength of our program. I should say, however, that for each and every year of the Labor government we have had investment in infrastructure above the national average each and every year that we have been in government. So Queensland has outspent on capital infrastructure each and every year that we have been in government. Yes, there was a very significant increase in that last year and this year, but that is also reflected in other states with a significant increase in infrastructure in those states as well, and we continue to be ahead of the other states.

While I certainly note the comments from the Auditor-General and I take on board some of the suggestions for improvement, I also would point to some of the, I think, very significant and important planning mechanisms of government. The South East Queensland Regional Plan and its accompanying document, the South East Queensland Infrastructure Program, are the two primary source documents for planning in the south-east corner of the state and the ones upon which the government and all of its

agencies rely. This planning process has been identified, frankly, as national best practice and we now have many other parts of Australia looking at taking a leaf out of that book. That does not mean that there is not room for improvement, and I take on board suggestions to improve that.

We are taking the lessons from the South-East Queensland plan and now applying those in other growth areas of the state. So in the Far North Queensland region we have worked with the community of Far North Queensland and now have in place a Far North Queensland plan, and we are looking at doing similar exercises in other parts of Queensland. Not every part of Queensland needs something of that nature, but where we are seeing rapid growth we think it is very important.

The South-East Queensland plan has been through a very comprehensive, rigorous and thorough review that has involved all local governments, all state government departments and all levels of government, as well as a range of interested non-government agencies and businesses. That process is nearing its completion. In my view that is one of the most comprehensive and rigorous processes for planning and coordination across state and local governments in relation to infrastructure planning anywhere in the country.

Mr LANGBROEK: I turn now to SDS 1 page 1-3 and the lobbyist register. Premier, after the introduction of your lobbyist register to ensure probity in the lobbyist industry, will you advise the committee of the probity measures that were complied with to allow a former adviser to the Treasurer to leave a lobbying firm on the register and immediately start as the principal policy adviser to the Minister for Climate Change and Sustainability?

Ms BLIGH: There is nothing in the lobbyist register or the code of conduct that prevents someone from working in a lobbying organisation then coming into government. The whole point of the register is to ensure that those people who are working in government, whether in a senior bureaucratic position or in a ministerial office, who would have access to information that should be held confidentially or might be able to assist an organisation should not be employed by such an organisation until such time as in general any information they might have had is likely to be in the public realm. For ministerial staff, it is 18 months from the time that they leave government and it is for any matters that they had specific dealings with during the last 18 months of their tenure. So the whole purpose of the lobbyist register is to prevent people who have access to government information from taking that out of government and being in a position to use it for the commercial gain of individual commercial organisations. In fact, bringing people in from the commercial sector, into the bureaucracy and ministerial offices and into opposition offices, is something that I think should be encouraged.

Mr LANGBROEK: In this particular case, as I understand it, the former lobbyist employer of the person in question worked for property developers and now is overseeing a revision of the existence of a number of national parks. I ask you to advise the committee whether there is a problem with the measure that you have put in place to avoid this kind of intertwining between government and lobbying firms?

Ms BLIGH: Firstly, ministerial staff do not oversee exercises in government policy development. That is the appropriate role of the public sector. The minister will bring any proposals to cabinet for cabinet to resolve in that regard. If you are suggesting that we are about to open national parks for property developers, I can assure you that that will not be happening. In fact, I am the first Premier in 15 years to identify an expansion in the target for national parks, and we are well on the way to meeting that.

The purpose of the lobbyist register is to protect the information that is created in government realms by the public investment from misuse for personal gain. People who work in the private sector, whether it is for a lobbying organisation or for any other organisation, should not be prevented from government employment. In fact I think public sector agencies benefit from people who have worked in the non-government sector and businesses and who have a range of professional experiences prior to coming into government. I think it would be a very retrograde step to insist that people in ministerial offices or people in Public Service organisations have no experience outside of government. I do not think any government would thrive in those circumstances.

Mr LANGBROEK: My final question in this segment—at least I think it may be—is this: Premier, can you advise why you disagree with former Premier Peter Beattie and maintain that there is nothing wrong with receiving a free holiday from the director of a company that will potentially receive billions of dollars from your government?

Ms BLIGH: This matter has been canvassed well and truly. It has been the subject of consideration by a parliamentary committee, and I would refer you to that committee's report. I have a very straightforward view that if you look at the register of interests there is nothing there that would require me to report a house-sitting arrangement with an old friend where I looked after her dogs. I accept, however—and I have made a public statement to this effect—that other people might see that differently and therefore I have put the matter on the register. I draw your attention to the report of the parliamentary committee in that regard.

CHAIR: You said it was your final question but you still have two minutes.

Mr LANGBROEK: In that case, I will ask the Premier: if you are at loggerheads with your predecessor on ministerial accountability, how can you claim to be tougher on corruption than the former Premier, Peter Beattie?

Ms BLIGH: I do not regard myself as being at loggerheads with Peter Beattie. He is a very good friend of mine, a political colleague. He is doing a terrific job for us in Los Angeles. I said when I appointed him that he could sell ice to Eskimos—and that is pretty much what he is doing, only he is doing it in much warmer climes, mostly in South America, opening up new markets for us in a range of areas. I think he has been a good appointment for Queensland. He was undertaking his civic duty as a witness for the prosecution. He was asked a question. He is entitled to his opinion. I do not have any problems with him expressing it.

Mrs KIERNAN: Happy birthday, Premier. I refer again to the SDS on page 1-2 where it states that during 2009-10 the department will work to maximise employment opportunities for Queenslanders. Can the Premier detail the forward program which is in place to deliver employment opportunities and detail how the \$18.2 billion building program can assist with this?

Ms BLIGH: I thank the member for the question. You would be aware of some of the building program on your pipeline to Mount Isa and the upgrade to the hospital. There is plenty of work happening out there. I went to the election with a very clear commitment to delivering on jobs and to growing the economy. I outlined four planks that would be central to that process. They were keeping the building program going, developing skills for the future, supporting new industries and focusing on traditional strengths and putting in place new job creation programs.

The building program will account for one per cent of GSP. That means that it is a major contributor to keeping the economy moving, with a multiplier program that is critical for the Queensland economy in tough times. I think it is important to understand the strength of this program and how important it is. This really is in the main the construction industry at the moment. Our stimulus program, through our \$18.2 billion worth of building, and the federal government's program are the only shows in town for most of the major particularly civil construction companies. So we went to the election with that commitment and we keep that commitment.

In this budget we deliver the building program and we deliver jobs. Some \$7.3 billion of our program will be on transport and roads, \$1.2 billion in health, \$1.8 billion in infrastructure, \$1.4 billion for social housing and \$3.2 billion in energy infrastructure. In Brisbane that means busways, cycleways, the Airport Link, the Gateway upgrade, the new Children's Hospital, the Kurilpa Bridge and much more. But over 57 per cent of our capital program will be spent outside the Brisbane statistical division. That means that we will see redevelopments in hospitals in Cairns, Townsville, Mackay, Mount Isa and Rockhampton. They are major upgrades but we will also see other works happening at other hospitals around the state. It means that we will see programs like Gold Coast Rapid Transit get underway. We will see new rail tracks and stations on the north coast line between Caboolture and Beerburum and a new bus station at Noosa with additional commuter parking at Landsborough. We will see new bus priority on the Gold Coast Highway and we will see the development of a transit oriented development at Varsity Lakes around the railway station. We will also see new cycleways in Cairns.

In terms of state-wide road improvements, we will be continuing construction of the Port Access Road in Townsville and upgrading of the Dawson Highway and the Leichhardt Highway in the Fitzroy region. There will be upgrades to the Peak Downs Highway and the Forgan Bridge works in the Mackay region. There will be the upgrading of the Bruce Highway between Cooroy and Curra and upgrading of the Flinders Highway in the Far North. In Cairns we will see \$11.2 million being spent on the development of their cruise terminal at the wharf. In the Whitsundays we will see \$4 million on the upgrade of their airport. We will see \$18.9 million for the Townsville mall over the period of the forward estimates and \$4.95 million on the Hervey Bay water park as well as things like in Toowoomba the expansion of Cobb + Co. We will also see investment, as promised in the election campaign and delivered in this budget, of new funds of \$6.45 million over five years to ensure that as many local companies as possible can participate and benefit from the record capital spend.

Mrs KIERNAN: Continuing with the subject of maximising employment opportunities—and we know that these are tough economic times—can the Premier please outline what initiatives in the budget are in place to develop skills so that Queenslanders can get jobs in the current climate?

Ms BLIGH: The second plank of our jobs pledge was to improve skills and to invest in skills so that we come out of this downturn stronger, not weaker, with much better skilled people ready to take advantage of the opportunities when they arise. We are getting prepared. In investing in this area we are effectively preparing for when the economy improves and to have the skills ready. So you see the payroll tax initiative that we referred to earlier, with \$15 million for a 25 per cent rebate for businesses on apprenticeships and trainee wages—an election commitment delivered in this budget effective from 1 July. You see record numbers of training places, with \$124 million invested over the next four years for 102,000 training places to upskill existing workers and 46,000 additional training places for job seekers, giving certified training that is upgrading skills for those in the workforce and skilling those wanting to enter work. You see the 10 per cent policy. I know that it is not necessarily supported by those opposite,

but this is an important part of our plan to make sure that we see every company that is getting a government contract playing their role in putting on apprentices and trainees. It is estimated that that will support approximately 1,300 new apprentice and trainee positions—again, an election commitment made and kept.

You see the Skilling Queenslanders for Work initiative—\$101.7 million in this financial year to create 8,935 jobs to assist 21,000 Queenslanders. That builds on the more than 24,000 last year—again, an election commitment made and kept.

The Productivity Places Program is a further investment in skills. We are also investing in programs like the First Start program, which subsidises apprentices and trainees. These are 15- to 24-year-olds, including people with impediments to entering the workforce such as a disability, people in isolated rural and remote locations, and those recently retrenched. There is \$8.8 million invested there. There are 700 places being funded in that program this year.

I referred earlier to the rapid response team, which is doing its bit. But Queensland is continuing to grow the number of government apprentices and trainees to more than 5,000. So not only do we expect the private sector to do their bit—by putting in place incentives such as the rebate and requirements such as the 10 per cent policy—but government also needs to do its bit, and across government we will have more than 5,000 government apprenticeships and traineeships. That is a very significant contribution to the overall training effort.

CHAIR: Premier, I turn now to page 1-2 of the SDS where it mentions the commitment to maximising employment opportunities for Queenslanders. Clearly in these economic times governments need to be planning for jobs for the future. What new and existing industries do you see providing employment in the future? Can you advise of the details contained in the budget which deliver on the commitment of maximising employment opportunities?

Ms BLIGH: I thank the member for the question. As I have outlined, we do have four planks of our jobs commitment. As I have outlined already, they include the building program, which is securing jobs; as I have just outlined for the member for Mount Isa, developing skills for the future; the third component, which you seek further information on, is supporting new industries; and investing in and supporting our traditional strengths. As I have outlined, I think one of the most important and exciting new industries is the liquefied natural gas industry, with 18,000 jobs potentially and \$40-plus billion of project potential and investment, with an ability to add some \$3 billion gross to GSP.

We are acting, as we committed to in the election campaign, to secure a corridor for the common user pipeline—promised in the election and delivered in this budget. We are also working with the port and with industry to develop training and on port access issues like dredging. We are also moving approval processes as quickly as possible. We see great opportunities for communities in regional Queensland out of this.

We also think there are other exciting industries on the horizon, including in the renewable energy sector. That is why we have committed money in this budget to the Solar Hot Water Program, which aims to accelerate the installation of 200,000 solar hot-water systems and heat pumps over three years and to attract \$240 million from the mandatory renewable energy target and create directly some 800 jobs.

The Queensland MRET modelling indicates that we could attract up to \$3.5 billion of new investment and create up to 3,500 new green jobs in Queensland if we focus our efforts in this regard. That is why we have partnered with the world renowned Clinton Foundation to undertake a \$1 million feasibility study for a large scale solar power park. The federal government has announced a \$1.6 billion solar flagship program. It wants to see major solar thermal energy plants, and I want to make it our business to secure one of these for Queensland. That \$1 million feasibility will be looking at the best location and putting Queensland in the best position to compete nationally for a share of that budget.

We are also continuing the \$60 million Solar and Energy Efficiency Program to roll out solar panels to all 1,250 Queensland state schools. Last year there were 122 panels installed. The target for last year was 100. The first solar feed-in tariff in Queensland's history has helped to push solar PV on homes to 6.5 megawatts. That is two new industries on the horizon, but we are keeping our eye on supporting our traditional strengths, with \$38 million over the next three years into this budget for tourism, with new investments in a range of tourism infrastructure such as the much loved Carrara Stadium on the Gold Coast, the Cairns cruise terminal, the Townsville cruise ship terminal and the V8 supercars that were such an outstanding success last weekend.

CHAIR: I attended the Townsville supercars event on the weekend. It was a fantastic success.

Ms BLIGH: Hats off to Townsville.

CHAIR: There were thousands and thousands of North Queenslanders enjoying that event. Premier, you gave us some good detail in response to that question regarding new and exciting industries, but later in the question you mentioned traditional strengths. Can you comment more broadly on your commitment to job creation programs?

Ms BLIGH: I thank the member for that question. I add to his comments about the Townsville 400 V8 championship. In the end, the crowd numbers were just over 168,000 for a three-day event. It was extraordinary. You could not get a hotel room in town, you could not book a restaurant and you could not get a cab. I have already heard people on radio talking about billeting friends. I think we can expect this event, as such a success in its first outing, to go from strength to strength. I notice the member for Mount Isa nodding. I know there were plenty of cars driving over from Mount Isa and Cloncurry for the event, and I expect to see them back next year. That investment in the Townsville V8s is a real investment in the local economy, and lots of people will feel a real benefit out of it for many months to come.

The fourth plank of our jobs commitment is a commitment to create new job creation programs. One of the central planks of our election commitments was to develop what we call a Green Army. This is an army of unemployed people on the ground who are putting in place projects to improve our recreational and green spaces. The Green Army is now on the ground, with \$57 million over three years for up to 2,300 job placements and up to 700 traineeships all funded in this year's budget. Again, that is another election commitment on jobs; another election commitment implemented.

We have seen just over 6½ thousand hits to our website and 836 phone calls to the hotline, with 800 work placement registrations of interest and 449 traineeship registrations. A total of 339 work placement jobs have now been allocated for the first 21 approved projects. Already up and running is a land management project associated with the Wyaralong Dam providing 10 work placements. In Rockhampton the rehabilitation of Mount Archer and Moores Creek has provided 10 work placements. The Beaudesert Veresdale Scrub project is providing eight work placements.

Approved projects for this coming financial year include a 46-job program with the Sunshine Coast Regional Council and 30 jobs at the Rosewood showgrounds in Ipswich. In Beenleigh, skilling participants in landscaping, construction and horticulture has had 13 places allocated. For employment and training on the Gold Coast hinterland, there are nine jobs. For the Moreton Bay Regional Council green approach project, there are 30 jobs. For the Gympie show muster river revegetation, there are 10 jobs. On the Gold Coast, for Christian Youth Camp improvements there are 10 jobs. For the lifelong Green Army recycling project on the Darling Downs, there are 12 jobs. For the Mackay walkway creation and restoration project, there are eight jobs.

I think what you can see from that list, firstly, is the extraordinary partnership and cooperation with local government. Local government has the infrastructure on the ground and the state government, in providing money through this program, is making this project work already. I recognise that partnership. This is, as I said, an election commitment made and kept, and it is delivering real jobs today.

Mrs ATTWOOD: Premier, you spoke before about the government's record on tackling traffic congestion. The government's Q2 program referred to on page 1-3 of the SDS includes targets to reduce carbon emissions. Traffic congestion is part of the carbon equation, and I ask: what has the government done in this term to further fight congestion in South-East Queensland?

Ms BLIGH: I thank the member for the question. I did not get the full opportunity in the last question to talk about our roads investment, and I might make mention of some of the major road projects that will make a real difference. I think each and every one of them can be seen as a significant congestion buster.

There is the duplication of the Houghton Highway, which yesterday we committed to naming the Ted Smout Bridge. There is the Gateway Upgrade Project, which is a \$1.8 billion investment. There is a \$4.8 billion Airport Link that will take some 18 sets of traffic lights out of a trip between the CBD and the airport. There is \$2.5 billion worth of upgrades on the Ipswich Motorway. There is the \$800 million Darra to Springfield rail project. There is \$910 million for the Pacific Motorway upgrade and \$183 million for the Bruce Highway upgrade.

All of those are very significant new road projects, but we are equally conscious that roads are only part of the solution. We need to put in place a number of other programs to ensure that the roads we have and the roads we are building are used as effectively and efficiently as we can. That is why we put in place our open roads policy and made election commitments in that regard. Data tells us that as much as 25 per cent of congestion in South-East Queensland is due to vehicle crashes or breakdowns. So it is not only whether the roads are there but what happens when you have an accident and how quickly you can clear it.

The government is delivering on our \$12.3 million election commitment to speed up responses to incidents on South-East Queensland roads. We will take possession of the first of our two specially designed heavy-vehicle response units this month and the second in August. These are vehicles that are capable of lifting heavy trucks as big as semitrailers from our roadways. They will be on the road by September following testing and training. Again, this is an election commitment made and delivered. These HVRUs—heavy-vehicle response units—are being modified and supplied to the Queensland government by Ekebol Engineering, which is a Sunshine Coast based manufacturer of specialist heavy equipment. These vehicles were originally imported from China. It is great to see a Sunshine Coast company picking up that work.

We also promised seven new incident response depots for recovery and emergency equipment and signage so that we could get fast access to key traffic corridors. The first two locations have already been secured and will be operating in August. These are at Lytton, immediately south of the Gateway Bridge, and on the Warrego Highway at Withcott. I am advised that we have identified further savings and can announce that we will now deliver nine depots. So not only an election commitment made and delivered but overdelivered; instead of seven, we will have nine.

We also made a commitment to have a police presence in the Brisbane Metropolitan Transport Management Centre. Operational procedures and provision of equipment have been agreed, and the new arrangements will begin in September. The time that it has taken to clear incidents has decreased by 45 per cent since we established the Brisbane Metropolitan Transport Management Centre with BCC in December 2006. I think it is a good example that sometimes it is how you do business as much as how much money you are putting in that makes all the difference. That has been a very successful program between local and state government.

Mrs ATTWOOD: I refer to 1-3 of the SDS and the swearing-in of the new Bligh ministry. Can the Premier please provide an update on the activities undertaken across the ministry to deliver on election commitments?

Ms BLIGH: I thank the honourable member for the question. I think it has become fashionable to be very suspicious of governments or any political parties in election campaigns making election commitments. So I am very pleased, less than four months after our election, to advise the committee that the government has either completed or commenced 28 of the 39 major commitments that we made. Legislative changes are in place to deliver a moratorium on clearing of regrowth of endangered vegetation as committed and delivered.

The Green Army program has commenced ahead of schedule, with the approval of 21 projects providing 339 jobs. New powers have been introduced to impose curfews on juvenile offenders—as promised, as delivered. We have seen 28,000 Queenslanders register their interest for the Solar Hot Water Program, and have started to receive their application packs in the last two weeks. Employers can now access a rebate of 125 per cent on each apprentice and trainee wages off their payroll tax for another employee. We promised it, we have delivered it and people are accessing it.

We have implemented a requirement of 10 per cent of labour hours on apprentices and trainees for all government funded projects including federal projects. We have commenced the funding to provide 20,000 extra elective operations over the next three years. We promised 20,000 new elective operations; the funding is secured in this budget. That is another election promise made and delivered.

We have committed \$6.54 million in funding to the industry capability network to ensure that Queensland manufacturers and businesses can win work for major infrastructure projects wherever possible. We have introduced the Great Barrier Reef Protection Amendment Bill, as we promised, to protect the Great Barrier Reef with the regulation due to take effect from 1 January. We have two new heavy-vehicle response units, as I outlined in the previous answer, that are being fitted out and are due for delivery in August 2009. As I said, that is an election promise made and delivered.

Work is well underway to deliver remaining commitments, including offers expected to close in August to deliver \$15 million in grants to non-government organisations to build or enhance accommodation for patients near hospitals. We have already received 43 applications for nurse practitioner positions within emergency departments in 22 hospitals. Construction will commence in 2009 on the \$3 million respite care facility for young people with disabilities on the Gold Coast. It is on track for its expected completion date of 2010.

Eight new kindergartens, as promised, will be opened by the end of 2010 at Seaforth State School, Mudgeeraba State School, Stretton State College, St Andrew's in Redlynch, Prince of Peace in Everton Hills, Moorooka State School, Beaconsfield State School in Mackay and Oonoonba State School in Townsville.

Work is underway to create new fishing areas, already expanding the Harry Atkinson artificial reef north of Peel Island, and creating two additional artificial reefs north of Wild Banks and north of Moreton Island. There is more and I could go on, but I heard the bell. Suffice to say, we made commitments and we are keeping them. We are implementing them in less than four months.

Mr LANGBROEK: My question is to the Premier regarding Budget Paper No. 4, page 49, additional public sector efficiency targets. I refer to an answer to non-government question on notice No. 7 asked by the shadow Treasurer. I note that the Department of Premier and Cabinet has a total saving of \$1.7 million from the department. Can the Premier please outline the items to this committee which comprised the \$1.7 million saving?

Ms BLIGH: I thank the member for the question. First of all, I can say that this budget includes a whole-of-government productivity dividend. What we have done is bring forward what was going to be a gradual increase in the dividend. The total expected out of all government agencies this year is \$280 million. We know that these savings will be secured because departments have had their budgets reduced by the commensurate amount. So it is now up to agencies to identify within their own agencies

the most appropriate ways to make those savings. I have put out a directive across government that I particularly want savings to be made in areas such as travel, entertainment, consultancies and government advertising.

In terms of the Department of Premier and Cabinet, we expect to see savings made—for example, a one per cent reduction in expenditure on supplies and services which amounts to \$350,000 and in travel a saving of \$212,000. These are areas that have been identified. Obviously these have to go forward and be delivered. In procurement, through better buying reforms that have been progressed by the Department of Public Works we anticipate to see savings of more than 22 per cent on printers and 32 per cent on copiers, which amounts to a saving of \$50,000. A reduction in the development and printing of publications will save the agency \$50,000. \$100,000 is expected to be saved in relation to advertising.

In relation to contract agency staff, we want to reduce the use of contractors by \$100,000. With regard to staffing, we expect to see a reduction in corporate back house staff resulting over time from the machinery of government changes. We are looking to cease car-parking leases that are not on government property. ICT equipment rationalisation will see a reduction in the personal computer and laptop fleet of just over \$260,000. We expect overall to see about a \$1.7 million saving out of those areas. As I said, this is not a choice. Agencies will have the funds withheld from their budgets so they will find the savings within that.

Mr LANGBROEK: In answer to question on notice No. 452—and I table a copy of it—you outlined that a number of buses are in use in Brisbane for the transportation of public servants. They have been used by Main Roads staff since 1989, before the widespread use of electronic document transmission for filing and processing. With the introduction of electronic processing systems, is it still an appropriate use of taxpayers' money to have buses provided to the Shared Service Agency so that documents can be physically transported across Brisbane by public servants?

Ms BLIGH: I thank the member for the question. As you will be aware, some of these services have been discontinued, as outlined in the answer to this question. I will have to read the answer again. I have to say that this service is considered highly cost effective and was originally initiated as part of the relocation of Health employees, for example, out of the CBD. These buses are not taking documents; they are taking people. Documents do not catch buses; people do.

For example, when a specialist from Princess Alexandra Hospital needs to come into head office for a clinical meeting they can catch a taxi in and be reimbursed for that, they can drive their own vehicle in and be reimbursed for the parking cost or they can catch one of these shuttle buses. If you can think of the very large workplaces around the Brisbane CBD that the health department, by way of example, runs—the PA Hospital, the Royal Brisbane Hospital—these are massive trip generators in terms of the number of staff between central office and hospitals who are commuting on a very regular basis. It was determined that the most cost-effective way for taxpayers to transport these people, sometimes two or three times a day, not only into head office but also between hospitals, was to put on these shuttle buses. You will see that it is not only government that does this; I think QUT does it for its staff going between campuses.

Clearly, as we see more and more use of electronic teleconferencing et cetera some of these trips will be less necessary, but some of these trips are for people transferring between hospitals for clinical duties. While you can do some of that through videoconferencing, I would expect that we would continue to see this practice. Obviously the agencies concerned are always looking to ensure that they get the best value for money. But these are people whose industrial conditions entitle them to reimbursement of taxi fares or parking fees. It is much more cost effective to have shuttle buses.

Mr LANGBROEK: In that case I am happy to talk about a more specific example. In the same answer you said that buses were provided to transport Queensland Health employees from the CBD location to suburban locations. Specifically you mentioned the Royal Brisbane Hospital, which is directly adjacent to two busways. Is this not another example of waste by your government? We know that people catch these buses, not documents, but there are two busways there.

Ms BLIGH: You are right about that. Those busways only take scheduled buses. They take them only to some parts of the CBD. I would remind the member that we are talking here about often some of the most highly skilled and highly trained people in Queensland. Every minute they are standing at a bus stop is money wasted. If we can get them effectively moved as quickly as possible then, in my view, that is value for money. I do not want brain surgeons hanging around bus stops. If they have to come into town for a meeting or have to go to the PA Hospital to do brain surgery, I would rather they got there as quickly as they need to. The member for Clayfield is bursting to say something here.

Mr LANGBROEK: I can just see all the brain surgeons in the bus queue.

Ms BLIGH: We do have highly skilled specialists who use the shuttle bus service. There are other people who use them, too. These are processes that the agency has to review from time to time. Is it cost effective compared to having the same specialist take their vehicle and pay for their parking in

town? I would refer the member to parking costs in the CBD and ask him to have a think about what it might cost to have someone bring their vehicle into town for a two-hour meeting compared with jumping on a shuttle bus.

You will also find that many of these people actually care about the environment. They do not want to be jumping in cars for relatively short trips if there is a much more cost-effective way to do it. We are not just talking about people in the health area; we are talking about some of our highly paid engineers for example commuting between the Spring Hill office of the department of main roads and the central office in town. They are very large workforces.

Mr LANGBROEK: The Premier has referred to some election promises in some answers to government questions. I would like to turn to the Premier's campaign launch. Have you consulted Dustin the miner and his wife, Crystal, the family that you said were the human face of the global recession, about something that was not an election promise and that is your plan to slash family budgets by introducing a fuel tax?

Ms BLIGH: I am very pleased to advise the member that the last time I checked with Dustin and his family—and I will say it is probably about six weeks ago now—he had secured employment. It is a contract job in another mine some distance from where he and his family are living. While it is less than desirable in that I think he is travelling between 60 and 80 kilometres each way, he had nevertheless secured employment. While he was still looking for employment in and around the town where they had bought their new home, he was very relieved, as was his family, that he had been able to secure a job.

In relation to the government's decision in relation to the fuel subsidy, I drew the member's attention to his earlier questions about a AAA credit rating. A AAA credit rating is made on the basis of a judgement in relation to the ratio between revenue and liabilities. We have to address both sides of that equation. We made a decision that this was the most effective and fair way to address the revenue side of the equation.

We know from the inquiry held by former Justice Pincus that Queenslanders are paying for this subsidy but they are not getting the full benefit of it. Despite numerous attempts by both sides of politics and by different governments to ensure that taxpayers got the full benefit and motorists got the full benefit in their pocket, I think the work of former Justice Pincus put beyond doubt that that was not occurring. My recollection of his estimates were that on average 2c in every litre was not going to the motorist. That means more than \$100 million a year was being lost in the supply chain, whether from oil companies or people on the way through.

I think it is fair to say that there has been an element of a rort in this in whatever guise anyone has tried to put it together. As you would be aware, we actively pursued the idea of a card that could ensure the subsidy went directly on an EFTPOS basis straight to the motorist. That was impossible to achieve for a range of constitutional and practical reasons. We found when we went out and talked to industry and groups like the RACQ that it would have added costs.

While I do understand that nobody wants to pay more for petrol—I certainly do not want to pay more for petrol; nobody does—when I looked at the priorities for government, making sure that we continue to pay our teachers, our doctors and our nurses at a time when our revenue has been hit by a truck, we had to make the call. It is my view that this area of government revenue, given that taxpayers were paying for it and not getting the benefit of it, was not an unreasonable place to look for increased revenue as opposed to other areas of revenue increase. In the absence of any suggestions to the contrary—and I have yet to hear one possible source of alternative revenue from those opposite—I think the decision stands by itself.

Mr LANGBROEK: My next question relates to the revenue that has been lost from the state budget over the coming years. Premier, you have made the claim previously that the GFC has stripped about \$14 billion from the state budget but the amount of revenue to be collected this year is still more than last year, over three per cent, but expenses have increased by more than seven per cent. Is it not a fact that the budget deficit for 2008-09 was caused by the same thing that the deficit in 2007-08 was caused by and will be in 2009-10—that is, a total lack of management of the state's finances?

Ms BLIGH: I thank the member for the question. What is absolutely clear is that Queensland is the fastest growing state in Australia. Some 2,000 people every week are making Queensland their home. That means, firstly, that we have to increase the number of services, not decrease them. Some of the growth in expenditure is because we have employed more police, more doctors, more nurses, more teachers and more ambulance officers—more people at the front line of every government agency.

I have made a commitment that we are not going to cut services as a way through this economic downturn. That means that, at a time when revenue has been hit by a truck, and it has been, we have to sustain a temporary deficit. There are two responses to that. You either sustain a temporary deficit to maintain front-line services or you cut those services. You went to the election with a promise to cut those services by 12,000 jobs every year—36,000 job cuts in three years. I went to the election with a promise to keep those front-line services going and to keep them growing.

We understand that that does mean we will be in deficit, not only because we are putting in place more people at the front line, because some of the growth is putting more people at the front line, but also because there are costs associated with that such as scheduled wage increases. I have made a commitment that scheduled wage increases will be met. If the opposition has an alternative view they should put that.

Mr LANGBROEK: My next question is about those wage increases. I note that from September if negotiations have not been sorted out future wage increases will be capped at 2.5 per cent. Can you advise the committee how a proper balance has been struck in achieving the best services for Queenslanders?

Ms BLIGH: Could you repeat that question?

Mr LANGBROEK: I am talking about the fact that future wage increases are going to be capped at 2.5 per cent from September if negotiations are not concluded before then. For those police, teachers and others who are currently negotiating agreements and for negotiations to come, can you advise the committee why a proper balance has not been struck in achieving the best services for Queensland?

Ms BLIGH: I thank the member for the question. Clearly, the government, as a major employer, and like all employers, seeks to find the balance between wage rates that attract and secure and retain the best people for the job and wage rates that are affordable and manageable and, in our case as an employer, in the best interests of the taxpayer. Clearly, that is a fine line to walk whether you are in small business or whether you are in government.

In determining our wage negotiating positions the government looks to a number of factors. We look to factors such as wage movements in similar and like industries. We look at CPI. We look at what is happening in other states. We look at changes in job requirements. All of those factors come into play when you are negotiating wage increases with relevant trade unions.

I will just correct you. The police are not in the process of negotiating an enterprise bargaining agreement at the moment. They have an existing agreement which will terminate I think in April next year. It is certainly some time around the end of the first quarter of next year. They received a five per cent wage increase in July this year as a result of an enterprise bargaining agreement made a number of years ago.

Mr LANGBROEK: So they will not be limited to 2.5 per cent from next year, then?

Ms BLIGH: Yes, they will be when they start those negotiations. Anyone doing that after 1 September will be limited to that. My point was simply that they are not in negotiations at the moment. Those negotiations will not start until their current agreement expires. It does not expire until next year.

The government's current wage offer to teachers of 4½ for four is very mindful of the fact that, while our last enterprise bargaining agreement was struck at a time when our teachers had comparable salaries in the mid range with a number of other states, because of the cycle of enterprise bargaining around the country—they do not all happen at the same time—we have seen some leapfrogging. We have to take notice of that. We do not want to lose our best teachers.

This offer is one which, if the teachers accepted it, would see our teachers have a salary package—combined wages and superannuation—that would put them the second highest in the country. We think that puts us at a very competitive edge to keep our best people. But we are also mindful over the next three years, as we enter into the next round of wage negotiations, that inflation, the CPI, will be considerably less than it has been over the last three years. The new wage framework will be cognisant of a very significant drop in the cost of living. The wage framework that we have outlined in this year's budget will be a wage offer that is slightly above the predicted and forecast rate of inflation, and we think that is very fair and keeping pace.

I have been advised this morning in relation to enterprise bargaining negotiations that the Queensland Nurses Union has voted overwhelming to support the offer of 4½ for four. That will see those wage rises begin to flow very soon to those nurses on the front line.

Mr LANGBROEK: In response to an earlier question you said that about 50 per cent of the Capital Works Program is being spent outside the Brisbane statistical division.

Ms BLIGH: Fifty-seven per cent.

Mr LANGBROEK: Is being spent outside?

Ms BLIGH: Yes.

Mr LANGBROEK: My question is: what portion of the Capital Works Program by dollar value is being spent outside the South-East Queensland area, comprising Brisbane, West Moreton, the Gold Coast and the Sunshine Coast? So it is obviously 57 per cent of \$18 billion.

Ms BLIGH: It is 57 per cent of \$18.2 billion. I am happy to get someone to do the maths

Mr LANGBROEK: Finally, in relation to asset sales, will the Premier outline what criteria and processes the CBRC considered in determining which assets would be sold?

Ms BLIGH: Obviously these are very complex and difficult decisions. We considered a range of advice from Treasury. Ultimately, as I think I have outlined in the public arena, we looked across a number of major asset types. Now is not the time, in the context of ongoing developments in the national arena around our Carbon Pollution Reduction Scheme, for coal-fired generators to be in the market and the advice clearly was that that is not something that we would consider.

The factors that we took into consideration were: what are the things that we think government is best placed to own? That was the first question. What are those assets which we think the private sector, which is operating in competitive markets, is well placed now at this point in the 21st century to operate and own and, within that, what are those that are most likely to benefit the Queensland economy and improve productivity? Also, what do we think the market is therefore at the moment?

I have outlined what I have said in relation to electricity generation. In relation to other parts of the electricity network, I know that the member for Clayfield thinks that we should sell the poles and wires, because he has told the parliament that. Our government has a view that, of all the parts of the energy system, the poles and wires are, in fact, the part of the electricity system that government has the strongest public interest in owning, that is, the network on which all operators rely for security of supply and we think the public interest is there in owning that. Do you want me to continue with this answer?

Mr LANGBROEK: I am happy to hear the conclusion, Mr Chairman.

Ms BLIGH: If you look at those assets which we have put in the marketplace, and I have made this clear in a number of statements, one of the things we took into account is increasing the productivity of the Queensland economy over coming years. All of the assets that we are putting in the marketplace, or predominantly, are those with an export focus and we believe there is significant room for increased productivity from increased investment. These are investments that the government would be very hard placed to put into play and that is why we think the private sector coming in and investing in growing the capacity of those export assets will actually grow productivity in the long term.

Are we going to government questions now? Just before we do, can I go back to some of the questions on notice? I seek leave to table for the information of the committee the international travel for the last financial year for PFCT.

Leave granted.

Ms BLIGH: I do not think you asked me this, but you asked a question about it, which is the review.

Mr LANGBROEK: No, the report.

Ms BLIGH: The review of the PFTC. It is also on the website. In relation to the question about the Art Gallery, can I say two things. Firstly, the question that you asked was in relation to the acquisition fund for 2009-10. That is the \$2.1 million. So, of course, by definition it has not actually been spent yet. I am happy to give you a report at the end of the year. But I should say for your benefit that the Queensland Art Gallery and the Gallery of Modern Art operate as a single institution with an overarching collection policy. So they do not distinguish between one or the other. They have one acquisition policy and one collection, which can be displayed between the galleries. We do not separate it out like that. So the \$2.1 million will go to the combined acquisition fund.

Obviously the fund is there, where possible, to collect and to reflect the culture of Queensland in both contemporary and historical work. We also are looking to acquire significant international work and national work so that this gallery continues to be a gallery that is a high-calibre, high-status institution so that people can come from anywhere in Queensland and see great Queenslanders and see also great international work, particularly some of the work that is acquired as a normal part of the Asia-Pacific Triennial.

Mrs KIERNAN: I refer to page 1-3 of the SDS and coordinating the government's position on a national emissions trading scheme. Will the Premier outline the impact of the Carbon Pollution Reduction Scheme on the Queensland economy?

Ms BLIGH: I thank the member for the question. There is no doubt that Queensland has a lot at stake in this debate. We are the guardians of the Great Barrier Reef. We have World Heritage areas, such as the Daintree, and we have an agricultural industry and a mining industry that both stand to be affected as well as others.

In broad terms, the Queensland government supports the federal government's CPRS proposals. However, we are very mindful that the federal modelling by Commonwealth Treasury indicates that Queensland faces the greatest impact in relation to this scheme. This was recently confirmed with material done for the council of the federation as well. Queensland is likely to experience the largest percentage decline in GSP by 2050 relative to a without-CPRS scenario, but we are equally placed to do very poorly if we have no mitigation strategies in place.

Largely, our reliance on coal-fired generation and the highest national share of coalmining production sees us in a position of the CPRS having a very strong impact on our economy. That is why we believe that assistance should be fair and in the public interest. It should be in the interests not only of those businesses that are in this field but also in the interests of consumers.

The Queensland government has made a number of strong representations to the Commonwealth. We have participated in public submissions in all of the consultation processes on the green and white papers. I have had ongoing discussions with the relevant ministers in the federal government, including the Prime Minister, the Treasurer, Senator Penny Wong and more recently Greg Combet with his changed responsibilities. In fact, I met with Minister Combet on 21 April this year and I have written to him on two occasions. I will table those letters, because they outline the three areas that the Queensland government believes need to be further addressed by the CPRS scheme.

Firstly, some of our coalmines are what are known as very gassy coalmines. They have large fugitive emissions and have limited capacity to reduce them at the present time with current known technologies. These are by and large underground mines and the CPRS, in our view, needs to provide or consider some specialised assistance to those mines with very high levels of fugitive emissions, otherwise known, as I said, as gassy mines. That needs to be taken into account in transitional arrangements.

Secondly, we have a number of mines that are using what is called waste coalmine gas, that is, where waste coalmine gas is being used by industry to turn into energy. The abolition of the New South Wales greenhouse gas abatement scheme removes an incentive for investment in those projects that was helping to underwrite the job creation and methane abating effects of them. Under the current design of the CPRS and the associated assistance, there is more incentive for a mine to just burn off that methane rather than use it for energy production, which is obviously a perverse and unintended effect. I have made it clear in a strong case to the Commonwealth that we expect to see transitional arrangements put in place for those particular facilities.

I seek the indulgence of the committee to make the third point, because I think it is important. Thirdly, a number of coalmines have informed me that they are in no position to either absorb the costs of the CPRS or to pass on those costs to their customers, because those customers are their large scale energy generator customers with whom they have long-term binding contracts that do not provide for this to be passed on. That would mean they would have to absorb the costs, and at least in the case of a couple of mines in fact make those mines nonviable.

So I have tabled the copies of the letters, because I think they lay out the case that Queensland is putting. We think that further arrangements need to be considered in relation to specifically those three issues. I have met with the mining industry. I had discussions with a number of representatives of the mining industry on this issue and I will be meeting with them again in coming weeks on those and other issues.

Mrs KIERNAN: Thank you very much for that response. You have stated that you have an interest in protecting lifestyles and the natural environment. At page 1-2 of the SDS one of the stated Q2 aspirations is 'Strong—Creating a diverse economy powered by bright ideas'. Can you advise what programs are in place to support this vision in the area of diversifying into the bright future of renewables?

Ms BLIGH: I thank the member for the question. I think we all understand that coal has been a cheap and abundant fuel for the Queensland economy. Much of our prosperity has been built not only on the return from the export of coal but also from the cheap power that it has provided for a number of other industries. But we know as we go forward that we are moving into a low-carbon future and that means that we need to see more low-emission coal, we need to see the higher use of gas and we need to see renewables, such as solar, geothermal wind and hydropower coming into the mix.

In my view, a government cannot just imagine the future; we have to set out plans and steps to get there. Our renewable energy plan aims to attract private investment to Queensland and to attract our share of federal government funding in the renewable energy sector. We are also maintaining our commitment to the clean coal agenda. The funds that are available for investment in this area remain there. I have recently approached the federal government to ensure that Queensland is right up there on the radar in securing an opportunity to be one of the low-emission coal pilot projects in a base load power arrangement through either ZeroGen or another project.

What our program seeks to do in the renewables sector is to recognise that the Rudd government has the renewable energy target legislation before the Australian parliament. What that does is if we got our share of the MRET we could, as I have outlined earlier, see up to \$3.5 billion worth of new investment. That is very significant and could see 3½ thousand new green jobs in this area.

So what we are doing is funding a solar resource map and purchasing a wind map to help prospective investors and state and local government planning decisions in relation to this. We are also going to legislate to make it possible for pastoral leaseholders to sublet their land for renewable energy projects where they seek to do so. As the member for Mount Isa would know, we have very substantial

leaseholds across Queensland. Pastoral leaseholders are not able to sublet those leases for anything other than the original purpose. So the legislation will create that flexibility where they could sublet some part of their pastoral lease for a wind farm, for example, or for a solar thermal plant.

In the area of solar, our priority is for a large scale solar thermal plant. As I outlined earlier, we are partnering with the Clinton Foundation to put in place a feasibility study to identify the best possible case for that. We have put in place a solar farm at Windorah, a solar feed-in tariff. From 1 July 2008 to 30 April this year, 4,200 customers across the state connected to the feed-in tariff. We have exported 725,000 kilowatt hours to solar energy at a value of over \$320,000. So from an industry that was barely existent, in less than 12 months we have seen some 4,200 customers take up the opportunity. We are looking, obviously, to do in this industry what our 13 per cent gas target did for the gas industry, where we are now looking at exporting that to the world.

Mr SHINE: Premier, one of the stated Q2 aspirations is 'Green—protecting our lifestyle and environment'. What actions have you demonstrated to achieve this Q2 aim?

Ms BLIGH: I thank the member for the question. We are seriously seeking to lift the bar in a number of areas, whether it is in land, water, energy or climate change, and protecting and conserving our biodiversity. The Queensland government has made a number of election commitments which we are on track to deliver. We are seeking to grow our performance, particularly in the area of green space and national parks.

I made a commitment to increase the area of national parks in Queensland from five to 7½ per cent. That is a 50 per cent increase by 2020. In the last financial year, we added 300,000 hectares to the national park estate. So far from selling off the national parks to property developers, as was wildly alleged by the member for Surfers Paradise, we are, in fact, returning land to traditional owners, including the very significant Kulla National Park over the McIlwraith Range, which is some 125,000 hectares.

We made a commitment in the election campaign to developing what we are calling the Dreaming Trail, which will be a very significant major walk and an ecotourism opportunity through this area. We are working with local landholders and traditional owners to make that a reality. The Great Barrier Reef is one of our most precious natural wonders. We have particular responsibilities as guardians and, together with the federal government, we committed to reduce pollution from agriculture by 50 per cent. We now have new legislation before the parliament that will make that a reality.

Our ClimateSmart Home Service, where a \$50 fee secures a tradesperson to conduct an energy audit to install and monitor light bulbs and efficient showerheads, started on 2 January this year and we have now had 70,000 participants to date. This is an extraordinary uptake and I congratulate Queenslanders on taking advantage of it. Each house saves up to 2.55 tonnes of greenhouse gas on average per year. If 260,000 households undertake a full service, Queensland will save a total of approximately 5.3 million tonnes of greenhouse gas emissions over the life of the product. That is equivalent to taking 1.28 million Queensland cars off the road for a year. So it is a very significant improvement.

In terms of water conservation, I think we all know that South-East Queensland has significantly reduced its water usage and that is now saving 39 billion litres in the process. We have also invested \$360 million through the Home WaterWise rebate to assist homes to become water wise. Our support for solar I have outlined to the committee. You will see not only the areas that I spoke of but also we are rolling out the Solar Hot Water Program over the next three years—again, an election commitment made and being honoured. We know that the tree-clearing moratorium is in place and we are looking forward to working with landholders to secure a satisfactory outcome for them and for the environment.

CHAIR: Premier, I trust that the conclusion of this session now brings about an opportunity for you to enjoy your birthday today.

Ms BLIGH: I have had the most pleasant part of it. I am sorry it is over.

CHAIR: I hope that you are not here next year on your birthday.

Ms BLIGH: I thank the committee for their interest in these portfolios. I thank all staff of the parliament who are associated with the process. While I know there is bound to be the general cynicism about this process, I am still young enough to remember when the Queensland parliament did not have this accountability measure. I think it is an important part of the checks and balances in our parliamentary system. I thank the officers of Arts Queensland and the Department of Premier and Cabinet for their assistance in ensuring not only that I had the information necessary but also that that information could be provided to all members of the committee as requested.

CHAIR: Thank you, Premier. On behalf of the committee, we also thank all of the people who have done a lot of work on this estimates process to enable us to undertake this scrutiny today. We will now adjourn and be back at 1.45 pm to begin scrutiny of the Treasury.

Proceedings suspended from 12.46 pm to 1.45 pm

ESTIMATES COMMITTEE A—TREASURY AND EMPLOYMENT AND ECONOMIC DEVELOPMENT

In Attendance

Hon. AP Fraser, Treasurer and Minister for Employment and Economic Development

Treasury Department

Mr G Bradley, Under Treasurer

Mr T Spencer, Deputy Under Treasurer

Mr A Beavers, Deputy Under Treasurer

Mr C Turnbull, Executive Director, Portfolio Services

Mr J Hand, Insurance Commissioner, Motor Accident Insurance Commission

Department of Employment, Economic Development and Innovation

Mr P Henneken, Director-General

Mr B Coulter, Deputy Director-General, Industry Investment and Development

Mr B Anker, Deputy Director-General, Science and Technology

Ms L Lamb, Deputy Director-General, Corporate and Departmental Services

CHAIR: I declare this meeting of Estimates Committee A open. My name is Simon Finn. I am the member for Yeerongpilly and the chair of the committee. Joining me on the committee today are Mrs Betty Kiernan, the member for Mount Isa; Mrs Julie Attwood, the member for Mount Ommaney; Mr Kerry Shine, the member for Toowoomba North; and Mr Tim Nicholls, the member for Clayfield. Also on the committee but not with us currently are Mr John-Paul Langbroek, who is the deputy chair and member for Surfers Paradise; and Mrs Jann Stuckey, the member for Currumbin. I also acknowledge that with us in the gallery are Mr Steve Kilburn, the member for Chatsworth, and Ms Jan Jarratt, the member for Whitsundays.

This afternoon the committee will examine the proposed expenditure contained in the Appropriation Bill 2009 for the portfolios of the Treasurer and Minister for Employment and Economic Development. I welcome the Treasurer and advisers. We will examine estimates for the portfolio until 4.45 pm.

The proceedings today are lawful proceedings subject to the standing rules and orders of the parliament and, as such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 206. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography during my introduction and the Treasurer's opening statement. The committee has also agreed to the live broadcast of the hearing via the Parliamentary Service's website and receivers throughout the parliamentary precinct. Before I go any further I ask that if people have mobile phones with them they now be switched off.

Treasurer, the time limit for questions is one minute and three minutes for answers. A warning bell will chime 15 seconds before the time runs out. An extension of time may be given with the consent of the questioner. For the benefit of Hansard I ask advisers if they are called to give an answer to please state your name before speaking.

I now declare the proposed expenditure for the portfolios of the Treasurer and the Minister for Employment and Economic Development open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Treasurer, I am sure you have an opening statement. You have five minutes.

Mr FRASER: Thank you, Chair, and thank you, members. One year ago, when we were delivering the first budget of the Bligh government, we were dealing with entirely different circumstances, with a debate in this nation that was about demand that was out of control, that inflation was building pressures in the economy and the dominant discussion about employment related to skill shortages. Fast-forward 12 months and we see that the economic landscape that we find ourselves in as a state and as a nation—indeed, as a globe—is radically different. Today the debate is not about skills shortages but about job shortages. Today the debate is not about rampant demand but about a collapse in global demand. Today the debate and, therefore, the budget settings are very different to those that were put in place in 2008-09, and this is a budget that very much focuses on the long-term

future of the state and focuses on what is required in these circumstances. It focuses on the economic reality of a global financial crisis which has seen the world's output contract for the first time, it is predicted, in 60 years. It accepts the reality of these challenges and undertakes decisions and puts in place a framework to support employment in the Queensland economy.

Central to the government's budget settings is the \$18.2 billion capital program there to support employment in the community but, just as importantly, to provide the infrastructure platform for the future, to provide the productive capacity that this state requires as a growing state well into the future. It is there to support demand, it is there to support jobs and it is there to deliver a dividend of infrastructure to the state of Queensland well into the future.

We make conscious decisions in this budget—difficult decisions, necessarily tough decisions—to focus very much on the long-term benefit of the Queensland economy and the people of Queensland. We focus unashamedly on supporting employment, on swimming against the tide of rising unemployment dealt to us by the collapse in global demand. It is a budget that focuses squarely on dealing with our central economic challenges and has the courage to face up to the reality of our circumstances, to take decisions and to chart a course for the future.

It is a budget that focuses on what is required for a growing Queensland. It is a budget that delivers the front-line services that are required with more than \$9 billion budgeted for Health, the government's first expenditure priority as it has been through its time in office. It is a budget that provides for 645 new doctors, nurses and other health professionals, 350 teachers and teacher aides, 203 police, 50 ambulance officers and other front-line officers and workers who are there to provide the services to a growing population.

It is a budget that makes a range of decisions that are all about providing the ability for the government of Queensland to continue to provide those front-line services that the people of Queensland need and desire. It does that by charting a course for the future. It does that by implementing significant reform to the state's finances by adopting a new charter of fiscal responsibility and by undertaking and renewing the Queensland plan, there to ensure that the balance sheet of the state has stability into the future and to provide for government priorities well into the future. It does that through providing for difficult decisions to be undertaken about those things that government can no longer do as it seeks to focus on the priorities that are important to the people of Queensland. It does that against a backdrop of an economy that has outperformed the nation each and every year that we have been in office and will do so again, it is forecast, in the next financial year. It does that against a backdrop of a government that, during its time in office, has presided over an economy that has seen unemployment lower than the rest of the nation, employment growth ahead of the rest of the nation and economic growth, as I said, ahead of the rest of the nation.

We bring that track record, those skills, that capacity for making decisions into the future to bear in our decision making in the 2009-10 state budget, which is before you today. We do that recognising that into the future, over the next 12 months, we face tough circumstances, that what has been dealt to us means ultimately that for the state of Queensland, like every government around Australia, we need to take decisions that provide support. That is about funding an infrastructure program, it is about providing direct employment jobs, it is about nurturing new industries of the future, it is about building the skills set that we need to come out of any recessionary time with the skills in place to deal with the inevitable increase in demand that will surely come. We take those decisions focused on a time frame that is beyond last week, last month or next month, but a time well beyond that. We do that in a way that certainly has the future of Queensland at stake, and that is the question before this committee this afternoon and I look forward to answering your questions on that front.

CHAIR: We will start with non-government questions. I call the member for Clayfield.

Mr NICHOLLS: Welcome, Treasurer, to you, your advisers and principal officers of the departments. Firstly, if we can move on to the deficit in the budget figures for the coming year. I refer to chart 1.2 on page 15 of Budget Paper No. 2—that is, the chart that shows where we are going in terms of deficits and so on. Can you advise what will be the sum total of all budget deficits incurred from 2006-07 all the way through to anticipated 2017, and do you regard 10 years of deficits as temporary?

Mr FRASER: We obviously regard the circumstances we are in quite seriously, and that is why we have taken the decisions that we have. It is worth putting your question in context, and the answer to your question would be in the order of \$15 billion plus \$12 billion plus \$2.5 billion—worse should the policy prescriptions that your side of politics is currently advocating against putting in place—

Mr NICHOLLS: I am asking you for your numbers, not you asking me for mine.

Mr FRASER: I am sure it will come as a great surprise to the people of Queensland that you consider yourself unaccountable to the parliament of Queensland in providing for your own policy positions.

Mr NICHOLLS: We are here to examine your budget, not ours.

CHAIR: Order! Let him come to the answer to the question.

Mr FRASER: What we understand obviously is that, in charting a course for the budget to return to surplus, this is the first budget that deals with the effects of the global recession—not the last budget. What we have done is put in place long-term plans that seek to reorder the state's finances to ensure ultimately that, as we chart a course for the future, we have the capacity to deal with those pressures into the future.

Do I regard a period of 10 years time as temporary? No, I do not. Do I regard the decisions that the government has taken both in framing the budget and in framing the decisions that we have taken to return the state's finances to surplus as necessary? Yes, I do. Ultimately we have confronted a \$15 billion wipe-out in revenue. If we were not confronting that, I could draw your attention to page 49 of Budget Paper No. 2, which provides for the wipe-out in revenue for both last year and this year, and we would be having a debate presently about a budget that had been delivered into surplus in 2008-09 by some \$1 billion and a budget in 2009-10 that would be \$1.4 billion in surplus. However, the reality of the wipe-out in revenues means that we are dealing with different circumstances. That is why we have taken the choices we have.

While there are cumulative deficits that are forecast into the years ahead summing to some \$18.3 billion, we take those decisions to chart a course for the future. The policy proposition that should be debated here today is: are the decisions that this government is pursuing going to provide the platform to remedy that situation? Yes, they are. Are the policy prescriptions being pursued by the opposition in these circumstances going to make that situation worse? The answer is yes, they would. They would make it worse by the sum total of \$15 billion. That is the expected proceeds from the Renewing Queensland asset sales program, the \$12 billion in avoided capital expenditure over the next five years and the \$2.5 billion that you would borrow to maintain the fuel subsidy. Therefore, I am happy to debate the policy proposition against the policy prescription that your side of politics puts forward.

Mr NICHOLLS: Thanks, Treasurer, but we are not here to debate; we are here to question the budget figures in front of us. In terms of your answer—

Mr FRASER: I presume that means you are saying that ultimately the Liberal National Party is entitled to have no policies?

Mr NICHOLLS: In terms of your answer, Treasurer, you have said that you do not regard 10 years as a temporary deficit. So you obviously must regard it as a permanent setting. When do you anticipate that you will be able to take us out of deficit and start repaying the debt?

Mr FRASER: In answer to your question, I do not regard the situation as permanent. The budget papers and the graph that you refer to show a point in time in which we are forecast to return to surplus, a point in time that would be well ahead of a time at which a Liberal National Party government would deliver the budget to surplus. If you regard the policy prescriptions of the government as not returning the budget to surplus as quickly as possible in view of the proposition you are putting forward, you should therefore name the programs that you would cut or the other expenditures that you would cut—

Mr NICHOLLS: I am not putting forward a proposition, Treasurer; I am asking you what your program is.

Mr FRASER: I am happy to have a debate with you about the budget settings.

Mr NICHOLLS: As I say, we can debate this in the House.

Mr FRASER: I think you will find that this is a committee that is of the parliament of Queensland and this is a proceeding that is covered as a sitting of the parliament of Queensland. This is part of the House's proceedings. Nevertheless, let me make this point.

Mr NICHOLLS: I am aware of the rules of the place, Treasurer.

CHAIR: Order! Let the Treasurer answer the question.

Mr FRASER: Let me make this point. The budget is forecast to return to surplus in a way that we believe provides the settings to provide support to the economy now, that injects the support into the building program to support 127,000 jobs now, that has taken a number of decisions the long-term benefits of which will be realised well into the future. We have undertaken all of those decisions because our focus is very firmly on the future.

Mr NICHOLLS: Treasurer, in terms of the unemployment predictions and the job figures in the budget papers showing an increase in the unemployment rate to an anticipated 7.25 per cent, do these budgeted unemployment predictions—the recent ABS figures for the last 12 months—not add credence to the federal Treasurer's doubts about this government's ability to deliver its jobs promise of 100,000 jobs for 100,000 breadwinners?

Mr FRASER: The budget forecasts are the challenge, the central challenge, faced by the government in framing all of the decisions that we took in this budget—that is, unemployment is rising relentlessly because of the effects of the global recession and the wipe-out in demand. So what has this government done in response? It has prioritised and funded a Capital Works Program for the jobs that it supports. Ultimately is providing support for the economy at a time like this an easy thing to do? No, it is

not. That is why one has to take the decisions which are tough decisions but necessary decisions to prioritise and make choices. I do not accept the contention that lies at the premise of your question and, indeed, my review of the remarks that you refer to provides for no such interpretation to be open beyond what has been said explicitly on more than one occasion by myself and the Premier.

Mr NICHOLLS: In terms of the asset sales that are being proposed, the proposed asset sales as shown on page 14 indicate a return or reduction, if you like, in the figures that led to the change in the AAA credit rating and the loss of the AAA credit rating. The chart that has been provided still does not show after asset sales that we will fall within the range of net liabilities to assets that Moody's—Standard & Poor's, I should say—requires in order to bring that back. Have you had consultations with Standard & Poor's and Moody's about the best method to bring back the AAA credit rating or regain the AAA credit rating and what do they say about the program?

Mr FRASER: Thank you for the question. The government obviously maintains an ongoing dialogue with ratings agencies on that front. The graph you refer to on page 14 of Budget Paper No. 2 shows both a thick line and then a dotted line. The thick line represents what would happen without policy change, the dotted line represents the changes that would be put in place through a realisation of the Renewing Queensland Plan that was outlined to the parliament on 2 June. In talking extensively with the ratings agencies on this front, make no mistake about what it would require to return that metric into the target band earlier or sooner. It would require the capital program to be massively cut, it would require taxes to be raised beyond reasonable levels in order to return the metric into the target band at this point in time, and should you be concerned about that there would need to be a third line that would represent the policy position of the LNP and that would be above both of those lines represented in that graph.

Mr NICHOLLS: Treasurer, I asked, in fact, what you would do, not what you think we might do, in terms of—

Mr FRASER: I know what I am going to do, I am going to implement the plan that has the dotted line. You are going to implement a plan that has a line above the other two that are already represented. Let us be clear about the basis for the debate.

Mr NICHOLLS: What you might do in terms of additional steps that you would take in order to retain and regain the AAA credit rating. The question was what additional steps would you take to regain the AAA credit rating as a result of discussions with Standard & Poor's and Moody's?

Mr FRASER: The government has put in place its fiscal strategy which is implemented and laid out in full in the budget papers.

Mr NICHOLLS: Does that mean you do nothing more than what you have said here in the budget papers?

Mr FRASER: That is a forecast for what might occur over the next four years. As I have said previously, the government's resolve is to make decisions in implementing the budget position that provide for a long-term return to the AAA credit rating that can be achieved by implementing those policy processes. Ultimately what we have also resolved is that where we seek to manage the state's finances through controlling expenditure growth, which is made clear, secondly, in providing the infrastructure platform, we facilitate economic growth which can boost government revenues by providing for the economy to return to its long-run average rate of return and obviously, as we have laid clear, any returns from the asset sales that are in excess of proceeds that have been forecast at this point will be repaid into general government debt. Therefore, by lifting both sides of the equation—that is, delivering the asset sales program to the benefit of the balance sheet and providing economic settings for the growth to return to long rate average rates of growth—will provide the ability for that ratio to return into the target band.

I am happy to answer the questions on that front, as I am happy to point out that that is our plan and to date it seems to be the only plan that is before the people of Queensland on which anybody can form an opinion.

Mr NICHOLLS: Treasurer, on page 14 where it says that government will reduce the capital program to levels under \$10 billion per year and look at further policy measures, you have outlined some of the steps you are going to take. Are there any further policy measures that you are proposing to take in order to address the AAA credit rating issue?

Mr FRASER: I can faithfully warrant to you that the government will make more policy decisions between now and in framing the next budget. That is what governments do each and every budget: they make policy decisions and they implement them. I know that that comes as a shocking surprise to the policy-free zone that counts for the state opposition at this point in time, but making policy decisions is what governments do. Will we make some into the future? You bet.

Mr NICHOLLS: Treasurer, in terms of those policy decisions—and I notice you say you are prepared to make them, including of course things like the sale of assets, which was not in fact flagged to the people of Queensland, and the imposition of a fuel tax, which was a policy measure that you in fact rejected in January of this year before an election—can you inform us, with the sale of the assets, will all the proceeds of the asset sales be used to retire debt or will they be allocated for any other purposes?

Mr FRASER: The government has already stated previously that the net proceeds from the asset sales program will go into paying down relevant debt including any surplus into general government sector debt. That much has been made clear on a number of occasions.

Mr NICHOLLS: Talking about strategic asset sales on page 12 of Budget Paper No. 2, last year on 16 July in estimates in responding to a question you had received from a government member you said, 'What we see this year is a \$2 billion expansion in capital works by QR, recognising that at this point in our history there has never been a greater requirement or a greater need for QR to be within the government's ownership and in fact to be undertaking expansion of the economic framework.' Given that Queensland went bust in a boom, is it now the case that the greater requirement is to plug an increasing budget black hole with the fire sale of Queensland assets?

Mr FRASER: No, it is not, but what we have done is take a decision as a government to concentrate our resources and the resources of the Queensland taxpayer and the balance sheet on those priority areas of government that will only grow into the future. What we have done is propose a structured and measured reordering of state finances over a period of five years. Your previous questions so far have intimated that a period of five years is too short in order for government to manage the state's finances back to a AAA credit rating and surplus, but when the government puts forward a proposition that we will be implementing a five-year program of reordering the state's finances through the Renewing Queensland Plan that seems to be an entirely different perspective.

I make the very explicit point that the government has resolved upon this course of action deliberately, advisedly, in a way that understands the challenges of delivering that program over the next five years, but in so doing we seek to provide the capacity of the Queensland balance sheet to meet government priorities into the future. So the question here is, as against all the other pressures on government, as against the pressures to deliver new health infrastructure, new schools infrastructure, new transport infrastructure for public transport and roads around Queensland as against the pressure to maintain an investment in forest plantations or in a coal network that otherwise would be invested in by the private sector, what decision is this government making? We are making a decision to focus very much on this end of the spectrum to provide the resources and the priority of government at this end of government service delivery to ensure that we can meet the requirements of a growing population into the future.

Mr NICHOLLS: Treasurer, given that, have you been the recipient of any advice from Treasury of other assets that may be identified as possible asset sales?

Mr FRASER: All treasuries through every budget process identify a range of issues to governments of the day. I can faithfully warrant to you that I expect this Treasury, the Queensland Treasury, to continue to provide independent advice to government through the budget process and government to deliberate upon those policy prescriptions and advice from Treasury and to make decisions as is the requirement of government. Is there any plan whatsoever for the government to go beyond the plan that we have stated and now legislated before the parliament of Queensland? The answer to your question is no.

Mr NICHOLLS: You have not received any further advice about asset sales?

Mr FRASER: I made the point explicitly to you that the Queensland Treasury provides wide-ranging advice in each and every budget. What matters is the decisions that government makes, not what advice might be provided.

Mr NICHOLLS: Treasurer, the federal government has made available a guarantee to states in order to be able to assist them raise finance because of a variety of things: crowding out of the marketplace, some dysfunctionality in credit markets, loss of the AAA credit rating and those sorts of things. Would you please let us know what the increased interest costs and borrowing costs are that have been incurred by having to rely on the federal government's guarantee as opposed to having retained our own AAA credit rating and not having to access that guarantee as, for example, Victoria.

Mr FRASER: As you rightfully point out, there are a range of reasons that the Commonwealth government moved to implement a guarantee and make it available to semi-sovereign issued government debt. The reasons for that are in the first instance relevant to the global financial crisis which predates the global recession we are now all dealing with. Secondly, in that context the revenue wipe-out that our own state faced at a time of undertaking an expanded Capital Works Program to cater for growth in the Queensland community and to provide a future productive capacity for the Queensland economy means that we are, as a state, nominating to utilise the Commonwealth government guarantee. The reality of what that means at this point in time is that the difference between a

benchmark bond line such as a New South Wales Treasury Corporation issuance is about 10 basis points and the Commonwealth government fee that will be payable when the scheme is underway, which it is not yet, will be, on the advice to me, \$20 million in 2009-10. That is \$20 million which is the price that the government of Queensland is prepared to pay in order to maintain an infrastructure program that we believe is vitally necessary to supporting the economy at this point in time.

Mr NICHOLLS: So it is \$20 million additional as a result of accessing the federal government's guarantee.

Mr FRASER: In 2009-10 that accounts for both what we expect to be liable for in terms of the access to the guarantee and also accounting for the spread in basis points from where QTC is operating in the marketplace relative to AAA rated paper at this point in time. I warrant to you that that is a forecast and that clearly over the last two years we have seen tremendous and fundamental disruption to credit markets. There is a level of stability returning and trends moving back towards a greater level of stability, but on the forecast of what we expect at this point in time based on the state of play of the market that is what we are forecasting.

Mr NICHOLLS: Treasurer, you have given me more warranties in an hour than I get from most car salesmen, I would say, so I am looking forward to keeping those ones and seeing how they perform, but I think my time has expired.

CHAIR: Well done. You have just filled up a good 10 seconds there. Now it is time for government questions. Treasurer, in several places in the budget papers and indeed in responses to questions already today there has been reference to the global economic crisis. I am just wondering if you can detail for the committee how this crisis has actually contributed to Queensland's fiscal outlook.

Mr FRASER: Thank you for the question. The one-sentence answer to the question is by wiping out \$15 billion worth of expected revenues. That is the tally of the global financial crisis and what it has meant for the fiscal outlook here in Queensland. Given the wipe-out in revenues that has occurred in the state, that has meant that the state has had to take a number of decisions to respond to that. It is worth recognising the context here that the government accepts, and indeed that nearly everybody accepts, that we are dealing here with a unique set of circumstances, unique certainly to the better part of the last century.

As I mentioned earlier, it is forecast that global output will contract for the first time in 60 years. In context also at the time of putting together last year's budget, our major trading partners were forecast to be growing at over three per cent—a very respectable rate on anyone's measure. Today the forecast for 2009 has our major trading partners forecast to contract by three per cent. In terms of a turnaround in global demand and outlook, those trading partners with whom we transact and with whom we enjoy the benefits of trade have had situations in their own economies which have greatly reduced domestic demand and therefore demand for Queensland's products and services and exports.

To take Japan as an example—it remains our largest trading partner—Japan's economy contracted by a record 3.8 per cent in the March quarter and indeed 8.4 per cent over the year. That is a stunning result. The Korean economy, which is also a major trading partner of this state, has shrunk by five per cent since the September quarter in 2008. In the six months to March 2009, the US economy experienced its largest contraction since 1958. The GDP in the euro zone declined by a record 2½ per cent in the March quarter.

The combined effect of macroeconomic conditions in the globe and the collapse therefore in global demand, which has translated into a collapse in domestic demand, means that the government had to take a number of decisions in order to chart a course beyond the immediate circumstances that have been dealt to us by the effects of the global recession. That is why we have put forward a range of tough decisions. That is why we have legislated to implement those decisions. That is why we are resolved to implement those decisions to return stability to the state's finances and chart a course for the future.

CHAIR: Thank you, Treasurer. Building on the government's response in this environment, then, page 2 of Budget Paper No. 2 outlines revised fiscal principles, and I ask: can you inform the committee about these new principles and why they have been introduced?

Mr FRASER: As I mentioned earlier, under the new Financial Accountability Act 2009—the most comprehensive rewrite of the architecture for accountability of the state's finances which passed through the parliament and came into force as of 1 July, since the budget was delivered and before the estimates committee process was enlivened—I am required as the Treasurer to table a Charter of Fiscal Responsibility, which I did with the budget papers. It sets out the benchmark performance against which the management of the state's finances will be reported upon each year at budget time, as I propose to do in the budget papers from this point onwards.

Amongst those principles is the first principle of ensuring that operating expenses are met in full from operating revenue, as is detailed in Budget Paper No. 2, which you refer to. That is a challenge for us over the forward estimates—a challenge that we will meet in the next financial year and by the end of the forward estimates we are forecast to meet, but it will require ongoing management of the state's

finances in order to meet that obligation. We are also ensuring that we visit upon the government a very strict fiscal discipline in terms of limiting own-purpose expenses to growth—that is, zero real per capita that is beyond population growth and beyond inflation growth—and that government expenditure will be contained to that level. As is set out in the table that you refer to in Budget Paper No. 2, we seek to meet that expense—that is, principal over the forward estimates averaging 4.3 per cent over the forward estimates as against a benchmark of inflation and population growth at around 4.63 per cent.

We also seek, as I mentioned earlier, to return the budget to surplus by 2015-16. As is made explicit in the budget speech and as I made explicit earlier, the forecast at the moment has us returning to surplus in 2016-17. Therefore, it provides a challenge to meet that requirement but it is one which the government has resolved to pursue.

We also seek to maintain the state's competitive tax regime. The budget papers at the time utilised the available data. Given that New South Wales had not published its budget and Queensland average taxation per capita will be \$287, the difference to the average of other states in fact is expected to be \$353 upon publication of the New South Wales budget.

We also seek to stabilise the net financial liabilities—the key metric that was the subject of a previous question—to ensure that in meeting a resolution of the government to pursue a return to a AAA credit rating we stabilise the state's finances as a proportion as represented in that principle and also that we target long-term full funding of liabilities such as superannuation, which has been an enduring strength of the state of Queensland and one which we seek to maintain.

Mr SHINE: Good afternoon, Treasurer. I refer to table 2.2 on page 27 of Budget Paper No. 2. How does Queensland's growth forecast compare with other states and the nation? What are the driving factors of Queensland's growth forecasts?

Mr FRASER: I thank the member for Toowoomba North for the question because there is, importantly, a need to recognise that the decisions that the government has taken in a budget sense are all about supporting the economy through this period of time. We have taken decisions to elevate the importance of providing support to the economy as the priority. When one looks at the forecast that exists for states around the nation, one can see that, as I mentioned earlier, Queensland has outperformed the rest of Australia in 2008-09 and indeed is toward the front of the pack for 2009-10. While the nation as a whole is forecast to contract by half a per cent, the forecast contraction here in Queensland will be smaller than that and indeed much smaller than many other states, save for Victoria, which delivered its budget well ahead of the other states and therefore delivered on a different set of assumptions.

What we do see is a return to growth beyond that, albeit at rates below the long-term average before growth builds to return towards long-term average rates of growth at the end of the forward estimates. 2009-10 is the order book year—that is, the year in which many businesses that were concerned about what was existing in their order books on the forward horizon will find the challenges of the collapse in global demand washing through into the real economy, onto the desks of small and medium businesses right around the state. In the absence of that, the government has resolved on providing public support and public investment into the economy in order to support the economy at this time.

Given that the story of the economy in recent times during our time in office has seen private investment triple in real terms over the last eight years, private investment is expected to decline rapidly and indeed in a very concerning way over the next 12 months, elevating the need and the policy priority for government to provide that support at this point in time. Growth in public investment will in fact contribute one per cent in terms of the result that will be achieved in 2009-10. Absent that one per cent, one can begin to imagine the nature of the contraction that would otherwise be expected.

There are enduring challenges in the housing market which we do foresee as returning to growth beyond the next 12 months where dominant factors of housing undersupply will generate conditions where dwelling investment does continue, but that is a market that is dominated at the moment by contractions in unit development in particular and by the funding type challenges that exist in terms of accessing finance for property development in the state. At the moment those are matters which the government is acutely conscious of and why we are resolved to provide the support we can into the construction industry to support jobs at a time like this.

Mr SHINE: Thank you. I refer to page 179 of Budget Paper No. 2. Can you please explain factors relevant to an assessment of Queensland's balance sheet?

Mr FRASER: I can. In making any assessment of the nature of Queensland's balance sheet, I make the point explicit that what the government has not done and what I have previously stated and what is made explicit in the budget papers is that we have not factored in any of the proceeds from the Renewing Queensland asset sales program to ensure that what is presented in the budget here takes account of the complexity of those arrangements, and therefore any honest assessment of the position of the state's finances needs to take account of that fact.

What we have foreshadowed is that we expect asset sales proceeds in the order of \$15 billion. That would relevantly, as I said earlier, see a reduction in the outstandings that exist on the Queensland balance sheet. More to the point, that avoided capital works expenditure that is expected to be incurred over the next five years—so the period of time of the next forward estimates and beyond—in the order of \$12 billion would be achieved. Therefore, the presentation of the Queensland government's finances in the budget papers is explicitly there to benefit from the execution of that program. It is a program which we have now legislated for and therefore is certain in its execution. It is a program that we are proceeding to implement through the contraction of the necessary advisers that are part of any asset sales program.

What needs to be recognised also in making an assessment of Queensland relative to other states is, as I mentioned earlier, Queensland has long maintained significant financial reserves that have been put in place in order to meet the long-term liabilities—superannuation and otherwise—of the Queensland public sector workforce. Unique amongst the states of Australia and indeed unique amongst jurisdictions of the world, those liabilities have been provisioned by Queensland governments of both political persuasions through time, and those provisions remain in tact and are there to meet those long-term liabilities. Obviously they have been put under pressure by the state of equities markets in particular and other markets in recent years, but any assessment of the position of the Queensland government balance sheet needs to take account of the fact that, uniquely, unlike other states, we have those provisions put in place and therefore have the strength to draw upon in meeting the long-term challenges that exist for any state. All other states in Australia do not have that. They are working towards it; they are nowhere near achieving it and, therefore, Queensland's position remains strengthened on that front. Any fair assessment of the Queensland government balance sheet needs to take account of both of those dominant issues in making an assessment about the strength of the Queensland balance sheet into the future.

Mrs ATTWOOD: Good afternoon, Treasurer. I refer to chapter 1 of Budget Paper No. 2. Can the Treasurer outline the key measures the government will undertake in its medium-term fiscal strategy?

Mr FRASER: Thank you for the question. As I mentioned already in the debate before the parliament, the government has undertaken a range of decisions in relation to future expenditure growth and the Charter of Fiscal Responsibility which has been adopted. The government has undertaken a wide range of decisions across significant pressure points in order to provide for the budget to return to surplus over the horizon set out in the budget. We have resolved to build upon our success in implementing the productivity efficiency dividend that was first put in place in the 2008-09 budget. That saw \$60 million achieved in savings across the Queensland public sector. Those savings were realised.

It was forecast by government prior to the budget to increase that dividend to \$180 million as of this budget but, given the reforms that the Queensland government had adopted to the Public Service structure to increase that dividend by \$100 million in order to capture the opportunity to deliver upon those savings from streamlining of the Public Service, we have taken a decision—a difficult decision—to discontinue the Queensland Fuel Subsidy Scheme, but that is \$2½ billion that will not be borrowed to subsidise petrol into the future in a scheme that never delivered full value to Queensland taxpayers. The alternative is that that money would be borrowed in addition over the next four years which the government does not believe is sustainable.

We have also implemented a new wages policy framework which has application from 1 September with a number of enterprise bargaining agreements on foot at the moment and then providing, in an enduring sense, beyond 1 January. We have also applied the new 2½ per cent wages framework immediately as of 1 July to all senior positions in the public sector. We have announced and detailed in the budget changes to procurement policy to recognise the change in the construction market through the sort of contracting mechanisms that we will pursue. And obviously we have the Renewing Queensland Plan, which is about reordering the state's finances in order to provide balance sheet capacity to focus on those matters which the Queensland government considers are the necessary focus of the government into the future—that is, those social services and those other key government service delivery priorities that are required to meet a growing population.

We have also taken a decision to reform local government grants and subsidy programs that recognise our nation-leading reforms to local government which provide local government with a structure and capacity to deal with the challenges of growing regions and fast paced population growth into the future. This means that we can concentrate our resources to those smaller local governments that exist in many regional parts of Western Queensland in particular and those smaller communities that do not have the benefit of being part of a larger community to ensure our funding is targeted towards them.

Mrs ATTWOOD: Treasurer, I refer you to page 12 of Budget Paper No. 2. Can you explain what impact the Renewing Queensland Plan will have on the government's balance sheet?

Mr FRASER: As I said, the government has forecast that \$15 billion in net proceeds will be achieved from the Renewing Queensland asset sales program and that a further \$12 billion in capital expenditure will be avoided. What is important here is that we make an assessment of the position of

the state at a time like this, and that time is this: at the start of the century and through various points over the last century the government of Queensland has owned fishing works, salt works, pubs and at one stage through its history 90 butcher shops, and over that period of time governments of both political persuasions have made decisions to no longer continue government ownership of those particular business enterprises.

There is not a debate in this state right now that the government of Queensland should intervene and buy back 90 butcher shops. That is because the reality of current circumstances would make that a ludicrous proposition. What the government has done is recognise that community service expectations have changed. Twenty years ago, to use a point in history, there was no such thing as a child protection system to speak of in this state and disability services were not funded in a way beyond providing piecemeal support. Those people and those families with a member with a disability were left to rely on their own family, their neighbours or their church. Today Disability Services is funded by over \$900 million in the budget. The child protection system is funded by over \$600 million as we provide the safety net and the support to the most vulnerable young Queenslanders who are subject to neglect or abuse. That is what is expected of modern governments.

If we look at our ageing population, increases in health technology, advancements in medical research and advancements in the standard of care expected by the population, then at this end of the spectrum the pressures on government are only going to increase. That is why we have taken the decision to ensure that the balance sheet of Queensland can meet those pressures into the future and is less concentrated on having resources tied up in, for example, the pine forests that are grown between here and the Sunshine Coast—pine forests that are grown in order to be cut down and sold to private enterprise in order to turn into product.

What we are proposing is that private enterprise which purchases those trees, mills that timber and sells it on the market will be able to support that investment on its own balance sheet rather than on the Queensland balance sheet because the real question is: if we are doing that at that end, then what is it at this end of the spectrum that we are not doing? By proposing to free the government balance sheet of the obligation of, for instance, maintaining the forests that exist between here and the Sunshine Coast and concentrating our resources at this end, we provide the ability for the government to meet the challenges into the future.

CHAIR: We come now to the next session of non-government questions.

Mr NICHOLLS: Treasurer, you were previously answering a question in relation to the balance sheet on page 179 of Book 2 and you have been talking about the reduction in liabilities. Is it not the case that you also need to take into account the reduction in assets on the balance sheet as a result of the sales? So we are not just getting rid of liabilities; we are getting rid of income-producing assets. So when you say that we need to take the liabilities into account, we also need to take into account the assets that are going to be sold, the value they intrinsically are on the balance sheet—which is presumably worth more than their liabilities—and the revenue that they are going to be earning. So does that not also impact on the assessment to be undertaken when you go into an asset sales process?

Mr FRASER: Of course it does, and the government has been explicit about that from day 1.

Mr NICHOLLS: You talk about the new principles that you have adopted after your failure to adhere to your earlier principles in the Charter of Social and Fiscal Responsibility. In principle 1 you define 'operating expenses' as excluding depreciation. Why would depreciation, which is normally funded from operations each year, be excluded? Is it not just a way of giving yourself a leg-up in meeting that principle?

Mr FRASER: The government has been explicit on that point and set that out in detail in the budget papers because, in terms of ensuring that the cash flow operations of government are met through all operating expenses being met through operating revenue, that is the principle that the government has adopted. It recognises that the principle of achieving what you propose is in fact the accrual accounting framework—that is, returning the budget to surplus. But in order to provide immediate stability to the state's finances, what we are proposing to do is to adopt the principle that ensures that operating expenditure is met through operating revenue.

Unlike the proposition advanced by the opposition in the parliament that things like the Queensland fuel subsidy are not met through additional borrowings—that we are not borrowing money from future generations to pay a subsidy right now but we are borrowing only for the capital program into the future—that ensures that we do not borrow for the day-to-day expenses like paying the wages of the teachers, the police, the nurses and others who are providing the front-line services to the people of Queensland. Obviously returning the budget in an accrual accounting sense to surplus is part of the Charter of Fiscal Responsibility, as I outlined earlier, and the government has laid out its plan to do that. That will be an enduring task for government into the future.

Mr NICHOLLS: As I understand it, most organisations fund depreciation on an annual basis. The principle of accrual accounting is that that is done. Do you know of any instances where depreciation should not be taken into consideration on an accrual accounting basis, say, by a public company?

Mr FRASER: I am not proposing that we would do that.

Mr NICHOLLS: But you are excluding depreciation from your calculation of operating expenses. It is normally always included in operating expenses on an annual basis to fund the replacement and return of assets.

Mr FRASER: No. To be clear about it, what the government is doing is presenting the budget in accordance with the uniform presentation framework and the GFS principles which are required to be adhered to in representing the budget. In terms of managing the state's finance and the fiscal principles that the government has adopted for making decisions about expenditure growth and making sure that there is an internal stability to the state's finances, we have adopted a principle which is set out as the first principle to meet operating expenditure out of operating revenue as defined in the budget papers. We are not proposing and have not represented any of the state's finances on the premise that you are alleging.

Mr NICHOLLS: So the budget papers will still be presented with appropriate funding for depreciation.

Mr FRASER: They are now.

Mr NICHOLLS: So the principle will not actually reflect what is in the papers though.

Mr FRASER: No, and it should not.

Mr NICHOLLS: Turning to page 3-256 in Service Delivery Statement Book 3, which is the departmental statement, it refers to adherence to the Charter of Fiscal Responsibility. The 2008-09 estimated actual says that you only managed partial adherence—and we all know the reasons for that—and for 2009-10 anticipates only partial adherence. Treasurer, can you explain where you did fail in 2008-09 and where you will fail in 2009-10 in meeting the requirements?

Mr FRASER: As has been detailed already and as I mentioned in answer to two questions already from recollection—and as is represented on the page I referred to and spoke to before—on page 6 of Budget Paper No. 2, if you look at the first principle, I explicitly identified before that that principle is met at this rate in 2009-10 and in 2012-13 but not currently in either 2010-11 or 2011-12. Secondly, while we meet the second principle, on average over the forward estimates, the table makes clear year by year the result that is forecast on current budget settings. Thirdly, as you have already remarked upon in the proceedings to this point of the committee—the principle relating to net financial liabilities compared to revenue across the state; that is what is defined as the non-financial public sector—the asset sales program means that we are charting a course which seeks to return that stability but obviously is one that is going to be implemented over the next five years. As I indicated earlier, while the last actuarial review of the superannuation liabilities identified a significant surplus, when the next review of those outstandings is undertaken—which occurs every three years by the State Actuary—obviously that will reflect the pressure of returns in the equity market at the moment. So the answer to your question is laid out in full on page 6.

Mr NICHOLLS: Thanks, Treasurer. Page 3-280 of the Service Delivery Statement Book 3 refers to the Queensland Future Growth Corporation. It refers to future developments under the Queensland Future Growth Corporation. This year's statement differs fairly substantially from the previous year's statement. The previous year's referred to funding the Renewable Energy Fund and the Queensland Smart Energy Savings Fund to combat the effects of climate change. This one refers to 'funding the Renewable Energy Fund and the Queensland Smart Energy Savings Fund to support climate change initiatives such as the Queensland Solar Hot Water Program'. Treasurer, is the Queensland Future Growth Fund the pork barrel that will be used to pay for Labor's unfunded solar hot-water election giveaway?

Mr FRASER: No, it is not, but the Queensland Renewable Energy Fund, which has been funded from the Queensland Future Growth Fund—a matter which has been on the public record for a long period of time—is there to underwrite the investment in the Solar Hot Water Program. What the final capacity of that program is to deliver the stated intentions will depend very much on what is achieved in the marketplace, and there are tenders on foot at the moment which I am aware remain under negotiation in terms of both the delivery of the project and the supply of the units that would be installed by that project. As you asked me in one of the questions on notice to this committee, the government has provisioned a quantum of some \$15 million to support the delivery of that program in 2009-10. The final quantum of funds that is required ultimately to deliver that program will very much depend on the final negotiation of the tenders that are in the marketplace on two fronts. One is for the management implementation of the program and the second is by the suppliers of the program in terms of both the costs of installation in the first instance and managing the rollout and the cost of the units that are provided in the second instance.

Is this an appropriate use of funds? Yes, it is, because what does it do? It addresses climate change adaptation requirements for Queensland households. It helps Queensland households address the challenges of rising energy costs, which are a feature of climate change policy changes into the future. It assists in developing in the government's ambitions the capacity and the volume to attract

industry investment in the solar industry in the state into the future as an industry that we seek to promote into the future and, ultimately, it underwrites a program that we believe will be of benefit to Queensland households, to Queensland industry, to job generation. Is dealing with the effects of climate change an appropriate use of the funds that have been reserved? In my view, absolutely yes.

Mr NICHOLLS: So based on that answer you are saying that none of the Queensland Future Growth Corporation funding is being used to meet the costs and expenses of the Queensland Solar Hot Water Program?

Mr FRASER: No. I just laid out to you in detail how it would in fact support the Queensland Solar Hot Water Program, but I put the explicit condition on that that we are still negotiating with those entities. Therefore, the final quantum of funds by definition axiomatically has to be from what the final quantum of those negotiations is.

Mr NICHOLLS: That is good. I was trying to get to an understanding of where the funds for this program were going to come from. In your answer to my question on notice you said \$27.4 million had been provisioned and \$15.2 million has been allocated against the program this year. Based on your answer, that is coming out of the Queensland Future Growth Fund. That is what your provisioning is.

Mr FRASER: Let us be really clear about it: a long time ago—I can get a date for you—the Queensland government set up the Queensland Renewable Energy Fund with proceeds out of the Future Growth Fund.

Mr NICHOLLS: Correct.

Mr FRASER: So the Queensland Renewable Energy Fund is an existing fund and that is the fund that is there to provide support for renewable energy initiatives. The budget speech made explicit a number of other initiatives to come out of the Renewable Energy Fund including the geothermal station at Birdsville—that will be a pilot project.

Mr NICHOLLS: I got all that.

Mr FRASER: The Renewable Energy Fund is also going to support the rollout of the Solar Hot Water Program. Why? Because that is about providing industry support for a renewable energy industry—that is, the solar industry.

Mr NICHOLLS: Treasurer, if there are currently, as we are told, 28,000 people registered as interested in the Queensland solar hot-water scheme—and let us take a wild stab that they are eligible for it—and the government is paying \$1,600 for the installation, as has been stated in media releases, that is \$44.8 million over the first, say, 12 months of the scheme. That is the number of people who are actually registered. If 200,000 are supplied at \$1,600 a piece, that is \$320 million that the government will have to write cheques for that it may be able to subsequently recover when the federal government money comes through. Are you providing that that payment all comes out of the Queensland Future Growth Fund? How do you propose treating the revenue component when it comes back in and it is repaid by the consumer?

Mr FRASER: I understand now why you are pursuing the line of questioning. What I can say to you, however, is that it is the resolve of the government, in discussions with the federal government and indeed with the industry partners that we are negotiating with at the moment, that the cash flow issues that you are identifying will not in fact flow through the program—that is, they will not be payments that are required to be met in the first instance by the government. Access to the program is made explicit as being determined on access to the federal government program. That is, you cannot be eligible in Queensland unless you are eligible for the federal program.

What we are seeking to do in those negotiations is to provide for a set of arrangements where the only transaction that the person who is accessing the program has to pay is the \$500 or the \$100 in terms of the expenditure from the household—pensioners versus other households—and that the rebate schemes can be accessed either by the entity implementing the program, which would be our first preference, or by the contracting party who installs and therefore gets access to the Commonwealth rebate. Those are obviously negotiations which require significant undertakings, and we are in the middle of that at the moment. That is why I warrant—

Mr NICHOLLS: Another warrant!

Mr FRASER:—the answer that I provided earlier with that explicit caveat.

Mr NICHOLLS: So you are hopeful that you will not have to write cheques out—that it will just be a straight flow-through from the federal government to the Queensland government, the \$1,600?

Mr FRASER: In terms of the Commonwealth government rebate, that would be our preference.

Mr NICHOLLS: And you then pay—

Mr FRASER: That is not a matter that is settled yet.

Mr NICHOLLS: I appreciate that. And you then pay the supplier and installer for doing their job?

Mr FRASER: Correct.

Mr NICHOLLS: In terms of Budget Paper No. 2, page 97, the payroll tax rebate has now been rolled into a one-year program. Can you tell us when it changed from the election promise of a three-year program? I table your summary of commitments, new funding document, that indicates it as a payroll tax of \$3.75 million each year for three out years. Why did you change it from a three-year program to a once-only program? How many people have so far applied to take it up?

Mr FRASER: It was announced during the election campaign and reported at the time of the election campaign as a one-year program. As to access to the scheme to date, it is accessed by eligible employers through their monthly return. As I am aware of the situation, we have not yet reached the cycle, given that it is 14 July, where I could provide that advice. But I am happy to give an undertaking to provide that advice to the parliament when that advice is available, once we reach that point during the monthly cycle.

I am okay to proceed. I am just asking for that to be confirmed to you by the Commissioner of State Revenue.

Mr NICHOLLS: To go back to the Queensland Future Growth Corporation and the Queensland Future Growth Fund it administers, when the sale of the Mackay and Cairns airports and the interest in the Brisbane Airport were proposed, the net proceeds were to be invested into the Queensland Future Growth Fund. Can you detail the full amount of the receipts and what components will be allocated for the upgrades of Cairns, Mackay and Mount Isa given that there is no specified health allocation on page 3-281? Can you also identify where the receipts have been recorded in the Queensland Future Growth Fund given that it does not appear to be, in terms of the statement of changes and equity or the balance sheet, a receipt of those moneys coming in?

Mr FRASER: The undertaking that was given at the time is that net proceeds from those transactions would be paid into the Future Growth Fund. It was never going to be the case, for instance, that the proceeds from the Mackay airport would meet the costs of the Mackay Hospital redevelopment. The undertaking I gave was relevant to the proceeds from the sale in Cairns compared to the investment that was required in the Cairns Hospital, given the undertakings that the government made explicit at the time that proceeds from those transactions would be applied in those regions in Mackay and Cairns. The proceeds from the Brisbane Airport transaction were put in place to fund the redevelopment at the Mount Isa Hospital.

In the final assessment of the proceeds from the three transactions, there is not net proceeds above what the government has committed to spend in Cairns of \$446 million, in Mackay of \$405 million and in Mount Isa of \$67 million in terms of providing for the hospital redevelopment from the net proceeds of that transaction.

Mr NICHOLLS: Treasurer, is it the case, then, that none of the proceeds of the sale of those hospitals has been paid into the Queensland Future Growth Fund and that all of that money has just been placed into consolidated revenue? Where did the money go?

Mr FRASER: The proceeds of the transaction are held on budget, but they have already been allocated to all of those projects. In fact, as was made explicit in last year's budget, you can see where the allocations were made for the proceeds to fund those health upgrades in each of those cities. There was never a period of time where there was anything other than a full allocation made to the Cairns Hospital redevelopment, to the new Mackay Base Hospital and to the upgrade of the Mount Isa Hospital.

I can add to my earlier answer in relation to the payroll tax measure. I am told that that advice would be available some time after 14 August, at which time the July returns would be due and payable. After collation of that data, I am happy to provide it to the parliament at that time.

Mr NICHOLLS: Given that the net proceeds have not been placed in the Queensland Future Growth Fund, and given that you are not spending anywhere near the money necessary for the full works on Cairns, Mount Isa and Mackay—that money has just been absorbed into general revenue and is used for the day-to-day funding now of government business—it will have to be found in future years, will it not, in order to be able to meet the obligations for the upgrade? For example, this year the expenditure on Cairns is substantially less than the \$450 million. I think about \$40 million is in the Capital Statement.

Mr FRASER: The premise of your question seems to intimate that there is some allocated decision waiting to be made into the future, which there is not. Last year's budget—not this year's budget—made the allocations to those projects. What was made clear at the time is that the net proceeds—which was most likely to only be relevant in the circumstances of Cairns—above and beyond meeting the expenditure for the redevelopment of the Cairns Hospital, would be quarantined in the Future Growth Fund. As it happened, there were not net proceeds and therefore there was no need to quarantine a surplus beyond the commitment of the government on that front outside of the allocations that were already made to fund the redevelopment of the Cairns Hospital, to fund a new hospital in Mackay and to upgrade the Mount Isa Hospital.

CHAIR: Before going to government questions, I note that at 3.15 we are moving to the Department of Employment, Economic Development and Innovation. I might have 10 minutes of government questions and then you can finish the rest.

Mrs KIERNAN: Good afternoon, Treasurer. With reference to page 81 of Budget Paper No. 2, can you please detail how the Carbon Pollution Reduction Scheme will impact on the value of the government's electricity generators?

Mr FRASER: I thank the member for Mount Isa for the question, and good afternoon to you. The government, through the Council for the Australian Federation, has published research that was commissioned by Access Economics which makes a number of conclusions. I warrant that the findings of Access Economics on that front are based on the previous model design for the introduction of a CPRS in the nation. Nevertheless, they are instructive in pointing to the possible outcomes from introducing a CPRS in both a fiscal and economic sense on the states of Australia.

The federal government's own work on this front in the government white paper has relied upon modelling undertaken by ACIL Tasman, ROAM Consulting and MMA. The conclusions that the three forecasters—relied upon by the federal government—reached are very different indeed, which is unsurprising given the complexity of modelling and the impact of the introduction of a Carbon Pollution Reduction Scheme. The federal government has supported the work, in particular, of MMA, which provides for significant falls in revenue in brown coal generators. As members of the committee would be aware, Queensland generally has black coal generators.

The modelling by MMA records either moderate falls or, in some circumstances, different impacts on black coal generators. There is a risk, therefore, that there is a perverse outcome in that modelling, and that is that extra assistance be provided to brown coal generators, which have a higher carbon emission than black coal generators, because of the complexities of the way in which assistance is provided. The modelling that has been published by the Council for the Australian Federation shows that by 2020 the reduction in the net operating balance for Queensland would be around \$1.9 billion out of the forecast \$5.5 billion that would be the impact across the nation. That is driven principally by expected reductions in coal royalties into the future from reduced demand for coal. Coal demand would still increase in absolute terms and indeed coal royalties would still increase in absolute terms, but relative to base case it would be lower, and obviously from lower returns from the government's ownership of electricity generators.

All of those factors are ones which will need to be accounted for and modelled into the future. It is a matter on which we liaise particularly with the Queensland Audit Office to ensure that, when there is certainty about the scheme that may be introduced—the nature of the scheme, the design of the scheme and the commencement date—we are able to account for the changes that might flow through to asset values into the future. But that is work which is enduring work for the Queensland government.

Mrs KIERNAN: I now refer to page 72 of Budget Paper No. 2. Can the Treasurer update the committee on the implementation of reforms to government owned corporations?

Mr FRASER: I can. In 2008, at the delivery of the midyear update and incorporating into the major economic statement, I flagged a range of reforms for government owned corporations into the future. Government owned corporations are proceeding to implement those reforms in a range of manners. Gladstone port, for instance, is looking to realise expenditure savings out of the way in which it manages some of its dredging operations. SunWater is implementing system reviews that seek to gain efficiencies to improve its productivity.

At ports around Queensland, undertakings have been put in place to ensure that the efficiency savings that were targeted in the major economic statement are achieved. A particular issue on which the government provided new guidance and new framework for governance for government owned corporations was in the expenditure on government owned corporation corporate hospitality and entertainment. The government published a new directive in 2008 which was to be applied in the first instance by government owned corporations adopting at board level a policy of compliance, all of whom did that by the required time frame of January 2009 and have published those policies on their websites and have been publicly available and publicly reported upon.

I also undertook to provide a reporting mechanism on that front so that expenditure would be reported twice a year under reforms the government has adopted to improve reporting of the performance of government owned corporations both generally and indeed on this front. I am happy to table for the committee today an assessment of expenditure for the December quarter. That is the quarter obviously that incorporated the time at which the policy was being implemented in the first instance. Of course, we had many predetermined events at that time. I expect that the expenditure that is disclosed in that report will be significantly lower in subsequent quarters.

The government has resolved to report on this front twice a year—contemporaneously with the provision of annual reports in October each year and then with the reforms that we have adopted, and which have been the subject of proceedings of the parliament before, biannually. That is, there is twice yearly reporting for GOCs. Those are expected to be tabled in the parliament in March of every year. So the next reporting on this front will be in September and then there will be additional reporting in March every year subsequent to that to account for the implementation of the government's policy on this front.

CHAIR: The Treasurer sought leave to table a document. Leave being granted, we will table that document.

Mrs KIERNAN: Treasurer, can I come back to the AAA credit rating which is referred to in chart 1.1 on page 14 of Budget Paper No. 2. Can I ask you to detail for the committee what the government's strategy is for returning to a AAA credit rating?

Mr FRASER: As is made explicit, the government has undertaken a program of legislative reform that has put in place the Renewing Queensland Plan to return the budget to surplus and thereafter deliver a AAA credit rating. As a function of the decisions that the government has made, as I have said earlier, the relative costs on this front for 2009-10 are \$20 million, comprised of \$4 million that is forecast in terms of the payment to the Commonwealth government for the utilisation of the government guarantee and then \$16 million which is the forecast differential for where QDC is trading on the marketplace at this point in time. That means that the total is expected to be \$20 million in 2009-10.

I make explicit that the government has resolved to return order to the state's finances. That is why we have undertaken the decisions that we have, decisions which have been opposed at each point in time by the opposition in the parliament. Those in the opposition have sought during these proceedings to pretend that they have a concern for the state of Queensland's balance sheet and to feign some mock indignation about the position of the state's finances, all the while holding completely opposite views and refusing to confront any choice about reordering the state's finances to confront that. On that front, they reveal themselves to be all care and no responsibility, to have no capacity whatsoever to demonstrate the policy propositions that the people of Queensland require, and indeed they went so far as to suggest that it was not their obligation to set out to the people of Queensland what it is if anything that they might stand for.

We implement the decisions in this budget because they are the right things to do for the long-term future of the state. They are not politically easy to do. They come at a political cost to the government. But faced with making choices which frankly would see unemployment higher than it otherwise would be, with making decisions that are not the right things to do, then this government has resolved to make the difficult choice, to wear the political cost in order to make sure that this state has the capacity to deal with the challenges in the future. We make no bones about it. Make no mistake about it, there is no alternative that has been put forward to the people of Queensland to date.

CHAIR: We have 10 minutes of non-government questioning in relation to Treasury.

Mr NICHOLLS: I draw your attention to the SDS at page 3-254 and also page 9 of Budget Paper No. 2 which is in relation to the delay in the abolition of the transfer duty on core business assets. The intergovernmental agreement then operative required abolition of the duty by 1 July 2012. In the midyear economic statement you indicated that your government intended to phase it in earlier. But we are now putting it back from 1 July 2011 to 1 July 2012. In this budget it is being put back to 1 July 2013, in effect earning you, according to your papers, an extra \$183 million in tax. It says on page 9 that this has been included in the new Intergovernmental Agreement on Federal Financial Relations. Has that new Intergovernmental Agreement on Federal Financial Relations been entered into, when was it entered into and what does it contemplate in terms of changes?

Mr FRASER: The IGA, as I recall, was entered into by COAG in terms of the new fiscal framework for financing the Federation during the last year and has been a public document for quite some time. It provides that the tax reform initiative that you are talking about is implemented in a time frame that provides for the decision that the government has taken.

Mr NICHOLLS: I have the communique of the COAG meeting of 29 November 2008. It makes no mention of the delay in the transfer duty abolition. It was not referred to in this communique. Is there some other document that contemplates the delay from 2012 to 2013?

Mr FRASER: All of this should not be a surprise to anybody given that these are publicly available documents and have been since they were first signed. As I understand it, they are available on federal government websites, but I will have that issue checked in order to warrant it to you. The change that the government entered into is by 1 July 2013. It provides that that measure can be met in accordance with the terms of the agreement by, for instance, implementing the measure in full on 30 June 2013. The difference is in the wording of 'by' or 'on'.

Mr NICHOLLS: I am sorry, I did not quite follow that last bit. Are you saying, despite your best warrants, that you are waiting for that agreement to come into being or that that agreement does already exist and that that change to 1 July 2013 is already authorised?

Mr FRASER: The agreement is already in being. The agreement is public and has been for some time. The government's policy decision is in accordance with the agreement.

Mr NICHOLLS: I turn to the efficiency target. I asked a question on notice, to which I have received an answer thank you, which details the \$200 million and provides various items. You have confirmed in an earlier answer that the total is \$280 million. Can you provide the additional information to show where that saving of the additional \$80 million that is not recorded in the answer to the question on notice will be allocated across the departments? I am happy if you take that on notice.

Mr FRASER: There will be elements of that which I will undertake to provide you on notice. To make the point explicitly, when the government implemented the savings initiative, the productivity dividend, in the last budget, not the budget just gone but in 2008-09, what was made explicit at the time was that the first tranche of the productivity efficiency dividend would be \$60 million in 2008-09 and then \$80 million locked in for 2009-10. In terms of the \$80 million, that was locked into the forward estimates in the budget last year, implemented through 2008-09 in terms of achieving the \$60 million, and the \$80 million was factored into the forward estimates for agencies as of the decision that was made pursuant to the 2008-09 budget.

It is applied across the agencies of government in accordance with the decision that was taken in 2008-09. In terms of the breakdown by department, I can provide that to you. There will and have been adjustments made given the structure of government changes that were implemented in March this year post the decision to streamline government agencies from 23 down to 13. The stream that is referred to in terms of achieving the \$60 million in 2008-09 was achieved in full.

Mr NICHOLLS: Thank you, Treasurer, I appreciate your undertaking to provide that information to us. Can I take you back to the Service Delivery Statement Book 3 and a couple of the administered organisations there—the Nominal Defendant and the Motor Accident Insurance Commission. Both of those statutory bodies are showing some fairly substantial hits in terms of their revenue. For example, when I go to page 3-271 I see that the revenue for the Motor Accident Insurance Commission at the bottom of the page has gone from a targeted \$94.5 million down to \$11.7 million. That is a fairly substantial decrease. And then for 2009-10 it shows it going up to \$83.3 million. If you look at the next page it shows the same things. Is it realistic to expect the returns to increase by such a substantial amount after such a short period of time for the current financial year, 2009-10?

Mr FRASER: Thank you for the question. As you intimate, the changes that are identified in that part of the budget paper and the Service Delivery Statement relate to the effects of investment returns for the Motor Accident Insurance Commission and the Nominal Defendant—revenue from those funds that are provisioned to meet the liabilities of those two funds for Queenslanders involved in CTP claims through accidents. The government has always been explicit about the fact that investment returns have been forecast at the long rate average return which is 7½ per cent. What is relevant on that front is that that has always been the policy prescription of government. Obviously, any forecast at a time like this is necessarily caveated by uncertainty in the market. It has certainly been the case in the past. If you look at recent history only, in 2002-03 we saw investment returns which were negative 1.86 per cent. The year after investment returns rebounded to 21 per cent.

The turnaround at the end of a cycle can be very significant and the government has always put forward the policy proposition that one has to budget on long rate returns because they provide the best predictor for what returns will be into the future. That is obviously an issue which is monitored through the year to ensure that suitable provision exists to meet the long-term liabilities on that front. The average over the last 10 years is higher than that. It is 9.3 per cent. So the government's policy proposition of providing for 7½ per cent is one which remains applicable at this point in time. Of course, into the future that is something that bears monitoring and that monitoring will be undertaken through the course of the financial year.

Mr NICHOLLS: Looking then at the Nominal Defendant, I see the total equity is down by nearly 50 per cent. The total non-current assets are down by over \$110 million. These figures are a projection of the future. Surely there must be some experience, skill and discretion used in making these forecasts about future years, otherwise the 2009-10 estimates are completely and utterly unreliable.

Mr FRASER: Can you point to the line you are talking about.

Mr NICHOLLS: If you look at the total equity on page 3-277 at the bottom, it has gone from \$158 million to \$76 million. If you look at the value of the non-current assets—that is, other financial assets—on the same page, they have gone from \$349 million down to \$238 million. That is \$110 million off. You are not going to earn the same income on reduced assets, I would suggest. Surely there must be a better way, otherwise these figures are completely and utterly unreliable. Past returns are no guide to future income. That is what it says on every superannuation statement you ever get.

Mr FRASER: The 7½ per cent is confirmed by the State Actuary as the long run rate of return that is always utilised by the government. As I said to you earlier, it is a conservative estimate given that we look to the last 10 years and see that returns have averaged 9.3 per cent. The period of time then contemplated not just a period of growth but times in the investment cycle, as everyone who is a general follower of Queensland budget cycles would know, when at the start of the decade through 2001-02 and 2002-03 in particular investment returns were negative.

So the policy proposition has never changed. As far as I am aware, it has been an enduring policy proposition and, given the confirmation of the use of that factor by the State Actuary in determining the expected returns and given the ability for the government into the future to rely upon those returns, I see that as being completely reasonable. But I will just check whether the Motor Accident Insurance Commissioner himself wishes to add to that. John Hand will provide a further factor which is relevant to your question.

Mr Hand: There are some dollars there. I just have not got the numbers in front of me. It was an equity transfer. When HIH collapsed there was an advance of some funds from Queensland Treasury.

Mr NICHOLLS: FAI tail. Yes, I read that.

Mr Hand: Yes, FAI. So in that is an equity transfer of funds and the repayment of that loan.

Mr NICHOLLS: Thank you.

CHAIR: Treasurer, just before completing this session, in response to a question from the member for Clayfield you undertook to provide some information on notice. The time line for that is by 9 am Thursday, the 16th. However, there is an opportunity for you to come back at the end of this session, at 4.45, if you have the material and we can deal with it then. But I will leave that up to you.

Mr FRASER: Thank you.

CHAIR: Thank you for that session of scrutiny in the Treasury department and to Treasury officials. The committee appreciates the work that goes into preparation for this role of the scrutiny of the appropriation.

Now we come to the scrutiny of the Department of Employment, Economic Development and Innovation. I note that there is not a changeover period in our timetable. There is a request that we adjourn for five minutes. On that basis, I am happy that we adjourn for five minutes.

Proceedings suspended from 3.17 pm to 3.21 pm

CHAIR: I now declare the Estimates Committee A hearing reopened for the scrutiny of the Department of Employment, Economic Development and Innovation. Non-government questions—

Mr NICHOLLS: Thank you.

Mr FRASER: Did you want me to make a statement?

CHAIR: Sorry, just hold on. Did you have an opening statement prepared for this section as well?

Mr FRASER: No. I am happy to speak for five minutes, but I am also happy, for enhanced accountability, to forgo the opportunity to make an opening statement and proceed directly with non-government questions.

CHAIR: Non-government members, would you prefer an opening statement or would you like to start questions?

Mr NICHOLLS: I always like to hear something from the Treasurer.

CHAIR: I give you an opportunity to make an opening statement in that respect.

Mr FRASER: Very well. The question before the estimates committee in this phase of the proceedings relates to the appropriation for the Department of Employment, Economic Development and Innovation. This is a new department that is central to the government's agenda and central to our commitment to ensuring that we provide for employment, provide for the economic development of the state and provide for the streamlining of the state Public Service and the apparatus of government to ensure that the architecture of government is in place to put a focus on employment, which is central to government. Therefore, I have the overarching responsibility for the Department of Employment, Economic Development and Innovation, which comprises also, and which will then separately be considered by the estimates committee, responsibilities in relation to mines and energy; primary industries and fisheries; liquor, gaming and racing; and trade, to say the least.

The agency is particularly focused on ensuring that we deliver the programs that provide support to Queenslanders who are faced with the harshest effects of the global recession, and that is the loss of employment or the loss of opportunity of employment. We do that in a range of ways—through providing targeted support, direct support to individual Queenslanders to ensure that they have the skills and the ability in order to access a very difficult and constrained labour market, to assist them to get experience in a workplace, to provide the skills and the experience that can only ever be achieved by real-life experience in a workplace and not otherwise learned, to provide support to Queensland businesses small and large, to provide support to enterprises small and large in order to invest in Queensland, to provide assistance to those Queensland businesses who seek the need to undertake assessments or investment decisions and who want to know the impacts or the issues that they need to deal with from a government point of view by providing streamlined services that seek to link up those obligations at a local, state and federal level, and to ensure that businesses have a capacity to make those investment decisions in a way that can provide for employment growth and can provide for the opportunities that the department otherwise seeks to provide.

We also seek to contribute to the government's key targets of making Queensland the strongest economy and increasing innovation among Queensland businesses by supporting innovation; by investing in high-end research skills; in having the primary carriage of the Smart State implementation that has been a hallmark of our time in office as a government, that is, creating, in essence, the jobs of tomorrow today; making sure that we diversify the Queensland economy; and providing support for research institutions and ensuring that we attract high-end skills here for the critical mass that that creates, which has recently been recognised by the World Bank—a matter upon which I have remarked before.

The context for all of those decisions that the government makes is obviously the challenge of rising unemployment dealt to us by the collapse in global demand and the translational effects on the national and, indeed, on the state economy. Against that backdrop, the government is implementing key policy initiatives such as the Green Army, which is there to provide support for 3,000 Queenslanders—2,300 job placements and 700 trainees—for the benefit that it provides to not only those Queenslanders who get the benefit of access to the Green Army and the skills that they get but also to one of our key natural assets, which is our natural environment, which is obviously represented also within the department, given its responsibilities for tourism.

The department as a whole seeks to link up the economic development of the state in a way that creates overarching guidance to ensure that investment is secured here in Queensland, that innovation is secured, that our current and future prospects for prosperity are secured and, in securing that prosperity, that we provide for as many Queenslanders as do desire to share in that prosperity by gaining the skills, gaining the experience and gaining the ability to join in the prosperity that the government is charged with promulgating. The government, through the Department of Employment, Economic Development and Innovation, is leading the way on securing the economic future for the state.

CHAIR: Thank you, Treasurer. I should establish that the sound advice of the research director was not perhaps particularly correct to make a further opening statement but, given you offered one and the committee felt that it would be beneficial to the scrutiny of this section, I am pleased that you provided us with that statement.

Mr FRASER: Let the record show that I also offered to desist.

CHAIR: I turn to non-government members.

Mr NICHOLLS: It was not a heartfelt offer, though, was it?

Mr FRASER: It certainly was.

Mr NICHOLLS: Treasurer, in an earlier question on notice I asked about productivity savings and the productivity dividend and mentioned that the Department of Employment, Economic Development and Innovation is tasked with finding \$15 million worth of savings. The answer in response to me says that questions regarding the achievement of savings are properly directed to each minister. Can you tell us where that \$15 million of savings is likely to be found in the Department of Employment, Economic Development and Innovation?

Mr FRASER: Thank you. In the same answer I also nominated particular areas where they would be achieved, both for Treasury as an agency for which I am responsible and for the Department of Employment, Economic Development and Innovation, for which I also have the lead responsibility. The answer to the question on notice was, therefore, to deal with both agencies, recognising both agencies, and, as I explicitly said, as the minister who has responsibility for the Department of Employment, Economic Development and Innovation, they are questions that can properly be directed to me.

I would say at the outset that the opportunity to achieve those savings is clear and recognised by me as the lead minister and by the government, given the opportunity for streamlining much of the operations that otherwise existed across a range of agencies into one. So central to the ability to achieve those savings are significant efforts by the government, through all ministers responsible for the Department of Employment, Economic Development and Innovation, to secure savings in air travel by looking at the class of air travel that can be pursued by officers, by reducing domestic air travel demand, through the greater use of standing offer arrangements for procurement, and through reduced advertising on recruitment, recognising that, in bringing together so many agencies into an agency of this size with a budget of more than \$1 billion, there is the opportunity to realise efficiencies and, therefore, in contracted senior executive service positions there is the opportunity to realise savings in that as those appointments are renewed into the future we also recognise that in putting in place a new structure there will inevitably be movements of officers at other levels and that we resolve, as is appropriate HR practice, to seek to place those people before making external appointments and, therefore, ensure that the employment levels in the department are appropriate for the streamlined structure.

It goes beyond that into matters—for instance, previous agencies maintained separate library resources and there is an ability to collate those library holdings and therefore achieve efficiencies in both the holdings and the operations of the resources that the government has and, similarly, consolidating the CBD office space that is occupied by disparate agencies that have been brought together under the department of employment and economic development, ensuring that we realise the efficiencies from everything, for instance, inducting officers into the department. Previously each agency would have had its own induction program and its own similar programs in inviting staff into the agency. There are wide-ranging opportunities across the agencies, including in the areas of marketing and communications offices, which will be targeted to achieve the savings over the 12 months. As both the Treasurer and the lead minister, I believe that those savings are eminently realisable.

Mr NICHOLLS: Both in your response on the Treasury estimate and on the DEEDI, you say 'realising significant savings'—in this case for DEEDI—from the amalgamation of the various corporate service functions including in communications'. In that sense do you contemplate a reduction in the number of employees who would formerly have been in the departments that come together to make DEEDI, that is, have there been job losses as a result of the amalgamation in this department?

Mr FRASER: What we are seeking to do is to make sure that the corporate structure of the department is suitable for the responsibility that it has as a joined-up agency. As I said to you earlier, that is being achieved in a way that takes account of streamlined management. So to be explicit on that point, there are not forced redundancies that are being engaged in by the department but, as has been the case throughout government, there are programs where voluntary redundancies are available. That has always been the case in the Public Service. It has also been the case that the opportunity exists to review the placement of officers, particularly in the communications area, to streamline those. I do not envisage those being forced redundancies, but where there is capacity to achieve savings both in terms of the activities, the marketing collateral that otherwise might have been produced disparately and on different government functions but also in relation to the operation of the division as a whole, those efficiencies can be achieved and that is what we are targeting as we bring the agency together.

Mr NICHOLLS: Treasurer, I understand all of what you are saying. How many fewer people are there as a result of all of those steps about right-sizing, efficiencies and bringing it all together? How many fewer people including those people who have taken voluntary redundancies? Do you have a sense of how many fewer people are now there as a result of this machinery of government change? The reason I ask is that, for example, in an answer she gave this morning the Premier indicated that as a result of machinery of government changes there had been a staffing reduction. Is there a fewer number of people as a result of all those measures that you have covered in the last two answers?

Mr FRASER: In the first instance it is work in progress. The agency has been brought together across the wide and disparate agencies and, secondly, as the Service Delivery Statement makes clear, there is in fact projected in the budget papers an overall change in employment numbers from an estimated actual in 2008-09 of 5,353 to 5,205. You can see in the outputs that the FTE accounts are put against the staffing levels in page 2-18 of the SDS.

Mr NICHOLLS: Turning now to some of the more substantive aspects of the program, with reference to the Skilling Queenslanders for Work program, which is a \$320-plus million program, can you advise whether any projects funded under this program are delivered by organisations that are not registered training organisations and, therefore, any qualifications provided by those organisations would not be accredited or recognised training qualifications? Are any of those services being provided by organisations that are not RTOs?

Mr FRASER: As I am aware, the range of providers under that program include, for instance, councils and the types of services that are provided extend beyond particular skills formation. So, for instance, under a program like Participate in Prosperity it might be a neighbourhood centre or, indeed, the Salvos who provide the service to the person in question. It might be so much as assisting someone to prepare for a job interview in terms of personal hygiene and interviewing technique rather than a certificate III in XYZ. It is not only about recognised training organisations providing skills that go on a CV as a skill set but assisting people with the range of issues that they might need to deal with. Many disadvantaged people need that support and assistance and that is what has been provided in an enduring sense through this program.

Secondly, it is also the case that, as I said earlier in my opening remarks, some of the assistance that is provided to the folk who benefit from the Skilling Queensland initiative is the sort of assistance that can only be acquired on the job, the sort of real world, practical experience of what it is like to work, what it is like to be involved in paid work and those are the sorts of skills when I use the term 'skills' that are contemplated by the Skilling Queenslanders for Work program.

Mr NICHOLLS: Just to go back to my question, I accept that helping people with personal hygiene, the process of applying for a job, how to get to a job—all those things—have valid applications. But I was really wondering is it possible to say how many of the projects are not being delivered by registered training organisations versus those that are? There must be an understanding of how many are being provided by RTOs and those that are being provided by the New Farm Neighbourhood Centre, the Woolloowin Community Centre or the Red Hill Paddington Community Centre.

Mr FRASER: The advice to me is that it is in the order of 25 per cent, but I am happy to clarify that should I need to.

Mr NICHOLLS: So that is 25 per cent are not RTOs?

Mr FRASER: Correct. Obviously, to make the point explicit, that is because the support services that are being provided through the initiative are not necessarily about achieving certificate III in a particular discipline; they are about the sort of assistance that individuals do require, which is not necessarily required to be delivered by a registered training organisation. It is an employment program, not a training program is the other point to make.

Mr NICHOLLS: At \$320 million, it is a fairly significant program and a fairly significant investment by the state. What measures are being put in place to ensure that the program is not duplicating similar programs that are being run by other departments, Education and Training or the federal government?

Mr FRASER: This program works closely in a government sense with the Department of Education and Training because there is obviously convergence in the interests of providing people with the sort of skills, whether they are the certificate III type skills or the sort of other skills that we have been talking about. This program through a range of initiatives not confined to dealing with those people who are most disadvantaged but, for instance, through the Green Army initiative providing support to those who have been recently retrenched and young Queenslanders, through other initiatives aimed at students who are at risk of leaving school early and disconnecting from the labour force—these are the employment programs that seek to join them up into the labour market. We obviously have a very clear and close interaction with the provision of formalised training programs through the Department of Education and Training.

Mr NICHOLLS: One of the programs that came through prior to the election and was established was the Jobs Task Force. Can you provide an update on what the Jobs Task Force has achieved and what its program is for the next six months?

Mr FRASER: I can. The Jobs Task Force was originally resourced out of the Department of Premier and Cabinet. I am not sure whether this was the subject of discussion during the proceedings earlier this morning, but the resourcing of the task force has been transferred to the Department of Employment, Economic Development and Innovation, which I will also refer to as DEEDI for the sake of brevity from this point on. The task force has achieved a number of things. One, it provides a direct line to me, the Premier and other key personnel in the government about those issues which are emerging in industries. The initiatives that the government has previously announced in relation to land tax valuations, in relation to water efficiency management plans and, indeed, the original idea for the increased rebate for trainees and apprentices that formed the commitment that the government took to the election were all ideas that were put to government as a result of discussions on the Jobs Task Force.

The Jobs Task Force is presently engaged in work which looks at research work being led through my portfolio about labour market movements, labour market trends, labour market segmentation between different groups in the labour market about the sorts of interventions or opportunities that exist for government generally to provide assistance to either secure new employment through new industries or to make decisions about how existing employment can be secured. For instance, particularly relevant on that front beyond my portfolio are issues in relation to apprentices and trainees in particular. The government is seeking to engage the Jobs Task Force on some of the longer term work that we are currently looking at in relation to the sort of support services we provide given the changing landscape, what different levels of government are doing in this space, given the need for governments to respond more generally to the challenges of rising unemployment that result from the effects of the global recession.

Mr NICHOLLS: Treasurer, in relation to the Worker Assistance Program and the employment services provided by the federal government, is it the view of your department that the Worker Assistance Program replicates or duplicates services that are provided by the federal government and, if that is the case, is it not better that the funds allocated to the Worker Assistance Program would not be better off being deployed in some other area, say, to assist businesses or the Industry Capability Network or in those sorts of areas? If those services are being provided by the federal government to the tune of \$300-odd million a year, do we need to be doing it?

Mr FRASER: Thank you for the question. It is one that I think is worthy of consideration, in fact. One of the issues that you will find is that the government's provision of that service, and indeed the increased allocation that we made on that front, predates changes that the federal government has subsequently made and implemented, in my recollection, during April about a particular part of a particular policy gap, if you like, between when a retrenchment occurred and when, under the federal government's policy settings at the time, workers were entitled to labour market assistance, to JobSearch or the previous Job Network assistance, in terms of referrals or in terms of workforce participation.

The programs do not align completely and therefore the issues and this type of assistance that is provided under the two different streams are not fully in alignment. But one thing that the government is doing in consultation with the federal government, because ultimately we are part of a joined-up provision of support services to people in these circumstances, is looking at the issue that you particularly identify. That is, given that, if you like, the restorative end of trying to assist people who have been affected by unemployment has been subject to policy change by the federal government and given that we have capacity as a state government that was being deployed to fill that policy gap in the continuum, if you like, one of the issues that is relevant to consideration of our programs into the future, and one which has certainly been subject to my consideration and, on my recollection, that I have raised with the jobs task force, is about looking at the way in which the policy settings for us as a state government can align and best utilise those resources that are available.

One option to be considered there is looking more at streaming those resources into initiatives which seek to provide extra assistance before the point of job shedding is arrived at. We obviously do some of that work as an agency already, but to the extent that there is change on the policy landscape between the federal and the state governments that is an issue that is worthy of consideration.

Mr NICHOLLS: So you would consider changing the Worker Assistance Program to provide reliance on the federal government's new program which I think came in on 1 April and goes until 2011 or something like that?

Mr FRASER: To the extent that obviously people would always expect that governments provide resources in a way that seeks to reduce duplication then that is an issue that we think is appropriate to investigate, and it is an issue that is already under consideration and is part of policy proposals that I have been discussing with the jobs task force.

CHAIR: Now is the opportunity for some government members' questions. I might start with referring you, Minister, to page 2-4 of the Service Delivery Statement, which contains the investment of \$57 million into Queensland's Green Army. I am wondering if you can outline some of the opportunities that the Queensland Green Army will provide.

Mr FRASER: I can, as it happens. Thank you for the opportunity to talk about an initiative that the state government had as an election commitment, that we have implemented in full as an election commitment and, indeed, implemented in a way ahead of time. I have previously advised the parliament that the Green Army initiative was up and running and it was attracting strong attention, and I am happy to advise today's hearing, through the estimates committee to the parliament, that the Green Army is indeed on the march and that another 15 Green Army projects worth over \$3.2 million have been approved across the state. Together these projects are giving paid work placements to 205 long-term unemployed and recently retrenched workers, and that takes the total number of approved Green Army projects to 21—an investment of \$5.4 million to create 339 job placements since we announced this election commitment.

Here we are at 14 July, a fortnight into the new financial year—1 July was nominated as the kick-off date for the Green Army—and we have been able to utilise the capacity within the agency to gear up this program and begin work on projects at many disparate parts of the state and provide that support to those people seeking to get the benefit of the Green Army's initiatives. The Green Army has been well received by the community: 1,250 Queenslanders have registered on the hotline and through the internet for participation in the Green Army and projects have been nominated by 189 organisations contacting the government about their keenness to participate.

Locations where the Green Army has now invaded include Cape York, Gympie, Deception Bay, Cherbourg, Maleny, Marsden, Hervey Bay, Redcliffe, Ipswich, the Sunshine Coast hinterland, Bundaberg, Burdekin, Beenleigh and the Gold Coast. In the latest batch of approved projects are a number of projects, including the rehabilitation of waterways at Nambour, Gympie and Bundamba through the revegetation of native plants, the clearing of weeds and the stabilisation of riverbanks. The planting and continued maintenance of up to 5,000 trees along the Hervey Bay Esplanade in preparation for the opening of the Hervey Bay Water Education Park has also received funding.

The establishment of community based services for residents, businesses and schools of Logan to increase awareness in relation to energy-saving initiatives has also been funded under the Green Army initiative. The restoration of significant coastal wetlands and the protection of Aboriginal cultural heritage areas and endangered coastal rainforest vegetation, as well as revegetation of areas to prevent erosion and encourage native plant growth at Redcliffe, Deception Bay, Godwin Beach, Cape York, Bundaberg and the Sunshine Coast hinterland, is also funded.

The maintenance and upgrade of local parklands, gardens, bike paths and walking tracks at Cairns and the Sunshine Coast and the improvement of facilities at community venues and schools at Deception Bay and Beenleigh have also been funded as the Green Army provides not only enduring benefits to the Queensland community but, most importantly, the type of work skills that are required by those Queenslanders who are finding themselves in need of assistance at a time like this.

CHAIR: Whilst we are on election commitments that are deliverable through this department, page 2-3 of the SDS refers to the government's commitment to create 100,000 new jobs over three years to 2012. I ask: can you explain how the government is taking steps to deliver this commitment?

Mr FRASER: Thank you for the question. This is the central guiding policy goal of the government through this term of office. It was nominated by the government as the central guiding policy goal that we have put in place. We are committed to delivering on it and the apparatus that is under investigation today was put together to deliver on that achievement.

What we are doing is delivering that through a range of initiatives and a number of central policy planks. At the forefront of that, and obviously relevant to my broader portfolio responsibilities, is delivering on the government's commitment to delivering an infrastructure program to support employment in the economy. The infrastructure program budgeted in 2009-10 is there to support 127,000 jobs in the Queensland economy, and that is there to support not only the direct construction

jobs but also the jobs that flow through into suppliers, into contractors and beyond that—from the hot dog stand near the construction site to every other business that gets the benefit of the employment that is generated and supported through the government's commitment to delivering the \$18 billion building program.

We are concentrating on making sure that we deliver on providing the skills for the recovery—a critical issue that we need to confront as a state. As I mentioned earlier, 12 months ago we were having a debate about a skills shortage. It would be short-sighted in the extreme to contemplate a situation where, because of 'short-termism', as growth returns into the economy as forecast, because of short-term decisions, we did not have an investment in skills at a time like this. We need to have those skills online for when the ramp-up occurs, when capital productive capacity returns. We need to have the labour productive capacity in economic terms. That makes economic sense. More importantly, it is good policy to ensure that those Queenslanders who are not otherwise engaged in productive employment are engaged in skills formation for keeping them connected to the labour force and keeping them connected to the community.

We also need to make sure that we support new industries along with traditional strengths, including the work that the government is doing and in which this agency has a role in securing the future for the LNG industry, which clearly has tremendous potential for employment and for supporting demand in the economy, not just in the region of Gladstone but indeed for the economy more generally. We also need to point to other industries that we can support, such as the solar industry, and pursue the other areas of innovation and new industry development that have been hallmarks of the government's industry policy during its time in office in sectors like aviation, where we have clear runs on the board, and to deliver the job creation programs such as the Green Army which I just mentioned that has been put in place, is up and running early and is getting runs on the board in terms of engaging people in productive work, making sure that they get the benefit of being engaged in work but also delivering the benefit to community infrastructure.

Mrs KIERNAN: Minister, I refer to page 5 of Budget Paper No. 3. What impact is the government's record Capital Works Program from 2009-10 forecast to have on employment?

Mr FRASER: I thank the member for the question. The answer in short is 127,000 jobs out there in the Queensland economy being supported by the investment in the Queensland building program. Most importantly, to figure that in different ways, if the building program was theoretically stopped tomorrow—and it should only ever be a theoretical consideration because to do so would be disastrous for the economic fortunes of the state—unemployment would be forecast to increase by five per cent. To make it explicit, the effect of the building program that has been put in place on employment would be that unemployment in this state would be five per cent higher absent the building program.

So, yes, unemployment is rising relentlessly and we need to do everything we can to mitigate against that, to work against it to keep the level of unemployment as low as possibly can be, to exercise all the strengths of government. Faced with the potential for unemployment to otherwise be five per cent higher absent the building program, we need to make sure that we are delivering the infrastructure for the demand it provides on the economy and the jobs it supports in the economy.

Members can see it right around the state. The shadow Treasurer would see it from his electorate as the Gateway Bridge duplication takes shape across the Brisbane River—a project that is there to support an estimated 3,000 jobs, with 1,747 people on site; the member for Toowoomba North would have driven along the Ipswich Motorway, which is being upgraded in partnership with the federal government and is supporting employment and delivering important infrastructure that is required for the future of the state; and the member for Surfers Paradise would well know the government's investment in Gold Coast infrastructure such as the Gold Coast University Hospital and, indeed, the Gold Coast stadium which of itself, with support from the Gold Coast City Council, the state government and the federal government, is there to support an estimated 350 jobs.

What we know, of course, is that that investment is about providing both direct employment and employment more broadly in regional economies because, at a time at which private sector demand is challenged so far by the ability to secure finance in constrained circumstances by the absence of support into the economy from global demand, it is the role of government to step in, to step up and to maintain an effort that delivers that support and those jobs into the economy, to make sure that we have the infrastructure platform and the workforce and the skills set and the ability to move through the challenging times ahead with confidence, resilience and the ability to chart a course for the future.

Mrs KIERNAN: I would now like to refer to page 2-4 of the Service Delivery Statement outlining the COAG commitment to halve the gap in Indigenous unemployment outcomes within a decade. Can the minister detail how Queensland is responding to this commitment?

Mr FRASER: I thank the member for Mount Isa for her question and for her interest in this area which I know is of particular relevance with the expansive electorate that she represents in this parliament. I want to make explicit points about the government's record on this front which are not widely appreciated. In fact, this government has very strong runs on the board in terms of reduction in Indigenous unemployment.

Indigenous unemployment in 2007 in Queensland had been halved from where it was in 2002. So in our time in office, over five years, we reduced Indigenous unemployment from 20.5 per cent to 9.8 per cent. Since 2004, each and every year, it has been lower than the national average. That is an achievement that has been the result of this government's policies and implementation of those policies to secure what has to be the first hallmark of opportunity for Indigenous Queenslanders and that is the opportunity to participate in the workforce and therefore gain economic independence.

Presently we have of course signed up, as all governments have across the political spectrum and across levels of government, to again redouble our efforts and again halve the gap in Indigenous unemployment compared to the broader population. At the moment the government's key initiatives on that front include the conversion of previously funded positions under the CDEP program—the Community Development Employment Projects—to convert those into sustainable jobs for government service delivery in Indigenous communities in particular. We have also implemented the Indigenous Employment Policy for Queensland Government Building and Civil Construction Projects—the 20 per cent policy—which requires that projects in nominated communities provide 20 per cent of opportunity for Indigenous Queenslanders, and that has been a key plank that has allowed us to be able to address this area.

What we have also been able to do through the last financial year is assist over 4,300 Indigenous Queenslanders through the department's employment programs. For the member's own electorate, there are in fact 10 young Indigenous men from Normanton in the Mount Isa electorate who have completed a 13-week Skilling Queenslanders for Work course. The training took place on Delta Downs cattle station where these young Queenslanders undertook a certificate II in rural operations and learnt many of the aspects of running a property and all of these Indigenous men are now in employment. This is the sort of achievement that can be wrought by a dedicated effort recognising that it is within every individual's capacity, with appropriate assistance, to be a productive member of society and to gain the sorts of skills that many of us otherwise take for granted.

Mrs KIERNAN: I had the great pleasure, Minister, of presenting them with their certificates and meeting with them just two weeks ago.

Mr FRASER: The pleasure was all theirs I am sure.

Mrs ATTWOOD: It sounds like it is working. I refer to page 2-9 of the Service Delivery Statement regarding the government's efforts in creating pathways to employment in low socioeconomic communities under Participate in Prosperity. Can the minister detail how the government is assisting those most vulnerable Queenslanders who are being disproportionately impacted by the global financial crisis?

Mr FRASER: I thank the member for the question and for her concern for those Queenslanders who have felt the full effects of the drop in economic prospects whether through unemployment being visited upon them recently or indeed for those many Queenslanders who have otherwise found it difficult to get into the labour market in the first place. Participate in Prosperity is about seeking to provide the sort of targeted assistance that many individuals from disadvantaged backgrounds do require in order to access the labour market. Whether they are low-skilled workers, single parents, folk from culturally and linguistically diverse backgrounds, people with a disability or indeed the long-term unemployed, Participate in Prosperity is a \$7½ million program that is delivered through a range of agencies, registered training organisations and others that seeks to provide not only the skill formation but also the sort of practical assistance and life skills that many people need in order to look for a job in the first instance, to find a job and to secure and maintain employment.

As at 30 June, 21 projects were approved and they are assisting approximately 1,000 people across three current nominated areas including Logan-Beenleigh, Caboolture-Deception Bay and the Brisbane south-west metropolitan corridor, which is obviously of particular interest to the member. Those programs are in place to ensure that we can provide the sort of assistance that these Queenslanders need. It has been provided, as I said earlier, through entities such as the Salvation Army, through councils including the Brisbane City Council and the Ipswich City Council, through other non-profit community organisations such as the Mental Health Association and through entities such as the Deception Bay Neighbourhood Centre providing both the opportunity to gain the skills that are required in order to enjoy sustainable employment and sustainable work for people in disadvantaged circumstances but more particularly to provide the other sort of assistance that is not otherwise available out there to assist those folk who find it most difficult.

What we do know of course is that at times like this when unemployment does rise one of the gravest risks to social cohesion and to the health of society more generally is the disconnect of those people from the labour force and disconnecting from society. Make no mistake about it: we all bear not only the financial cost but we all bear the social and human cost of that dislocation. That is why this government has resolved to maintain this sort of assistance through its time in office—targeted at times to these folk when employment had a very different outlook but maintained at a time like this, recognising it is a perfect right of every single Queenslander regardless of their background to gain access to employment, which is, after all, the first dignity, to be able to be a productive member of society.

Mrs ATTWOOD: I look forward to seeing some of the outcomes of that program. Further to your earlier explanation about the Skilling Queenslanders for Work initiative, can you detail the results achieved under the initiative over the past 12 months?

Mr FRASER: I thank the member for the question. As I mentioned earlier, there is just under \$102 million allocated in the budget for the Skilling Queenslanders for Work initiative. That covers a range of initiatives including our work with the federal government on the Productivity Places Program; on programs such as the First Start program, which offers job seekers with little or no work experience the opportunity to obtain a traineeship or on-the-job experience; and the Get Set for Work program, which is targeted, as I foreshadowed earlier, for 15- to 17-year-olds who are either early school leavers or at risk of disengaging from either education, training or the employment market.

On that front, the programs that are provided by the agency are in fact subsequently assessed—that is, participants are contacted in a period of 12 months after they have participated in the program. Some 63 per cent of participants who received assistance under the program were in employment 12 months later. The accepted benchmark around the world, as I am advised, is in the order of 50 per cent, and so our achievement of 63 per cent is above grade. But, importantly, if one also takes account of folk who are either in jobs or in training, that figure then rises substantially to 71 per cent. The First Start and youth training incentive programs which I mentioned earlier in fact have even higher rates, where 89 per cent of participants are employed 12 months later, showing the value of intervening early in ensuring that you do not get situations where young people in particular give up on work or give up on the ability to get into employment, to get into society and be a productive and contributing member of society.

I also wanted to highlight the achievement of the agency in delivering these programs in terms of Indigenous employment. As I mentioned earlier, firstly, it is not widely appreciated that Indigenous employment has been significantly reduced during the first part of this decade under this government's watch. Secondly, if we look at the assistance of those Indigenous Queenslanders receiving assistance from Indigenous employment and training support officers, 84 per cent of them are in employment or training 12 months after receiving assistance. So we do make sure that we benchmark that. What I would say is that the latest figures relate to a time when unemployment and the labour market were a very different outcome, and so into the future it could reasonably be expected that when assessments are made relative to where people are 12 months from recent participation it will be different. But, on those findings of the assessment of participants in those programs, one can see the value of maintaining them.

Mrs ATTWOOD: Absolutely. Thanks, Minister.

CHAIR: It is now time for non-government questions. Member for Clayfield.

Mr NICHOLLS: Treasurer, we have been speaking a little bit about the Green Army and the work that it is doing. I just want to try to get some bearing on the numbers of that. You are talking about 2,300 placements each at six months over a three-year program period and 700 one-year green traineeships, if I understand the scheme correctly. For those 2,300 people who are going into the placements for six months at a time, does that effectively mean that we are creating for those 2,300 people about 380 full-time equivalent jobs?

Mr FRASER: The resolve of the Green Army and its incarnation and the policy rationale for it is providing a connection for, as I said earlier, both recently retrenched and long-term unemployed people to get the sorts of skills that they might require in order to get either their first job or their next job in an employment market that is much more challenging. What we do know and what this government certainly has a view about is that opportunities for the sorts of skills that can be acquired in Green Army initiatives—the knowledge of native flora and fauna, the skills that arise from participation in revegetation projects and otherwise—are skills that do not have a broad profile in an economic history sense but are ones which otherwise can be provided to participants through the Green Army program. So it is serving not only the dual purpose of providing the skills of being part of productive engagement in productive work but also achieving the sorts of skills that otherwise might not have resided in those participants either because they were previously engaged in a different type of work or otherwise because they have never been in fact employed in gainful employment whether they are long-term unemployed or young people who have never entered into the labour market in the first place. So the program is about providing that opportunity through either job placement or traineeships to those 3,000 Queenslanders.

Mr NICHOLLS: I do not have any problems with the scheme. I just want to get an understanding of what it actually produces at the end of the day. So for \$57 million, we are rotating 2,300 people through six-month placements over three years. I am just working that out as 380 full-time equivalents for that period of three years. So really is this not just a rebadged CJP or Work for the Dole type of scheme? Is that not effectively what it does? It is helping people who are unemployed which is what those two schemes professed to do by implication, and it does it in a certain way through environmental activities and the works that they carry out. But effectively it just rebadges that idea and calls it the Green Army.

Mr FRASER: I would contest the premise of your question that there is some issue or some negative connotation about providing the support to these people through that manner, but what this project does different to projects in the past is to identify that the benefit to community arises not only in the assistance to individuals, which we all get the benefit of because we otherwise all bear the cost of it, but also in the legacy of improvements to local community infrastructure and local environmental and natural assets. That is the key difference here. It is focused on an area that we believe has enduring benefits across society.

We all get the benefit of improved community infrastructure boardwalks through coastal headlands, for example. We all get the benefit from waterways which are improved. We all get the benefit from the preservation of natural assets or the restoration of natural assets. Not only do we all get the benefit of it as a society, but our tourism industry has as a central marketing plank the ability to witness and to experience the natural assets of the state. In that regard, there is an advantage there. That is why the government directed the resources to these sorts of initiatives, because of the importance and the benefit across the economy and across the community for the environmental reasons, for the individual reasons, for the social policy reasons, for the employment reasons. We are happy to put this program forward as representing the key priorities of the government. It is in fact a hallmark program for this government which seeks to accept the reality of environmental challenges to confront the immediate economic challenges, and therefore this program is explicitly placed on that front.

Mr NICHOLLS: I do not disagree with anything you say about the importance of that work being carried out and I do not impugn any of the motives behind it. That is fine. I just want to get to the bottom of it and ask if we are spending \$57 million for effectively 380 FTEs for three years. At the end of that three-year period when the program ends, those people will either move on to other paid employment or will not. Is it really the case that it is a provision to support people who would otherwise be unemployed on the way through in the same way that the CJP and the Work for the Dole scheme both did? People from both of those programs worked in environmental areas, social areas and community areas across-the-board.

Mr FRASER: Well, it is what it is. It is as I have just explained. It is as has been set out in the budget papers and it is there to provide assistance to 3,000 people. It provides that assistance in a way that has been explicit about its intention from the time it was announced as an election commitment, during its implementation as an election commitment and as I have set out in a range of answers to this committee from both government and non-government members. It is there to provide support and assistance to 3,000 Queenslanders. In the meantime on the way through, we all get the benefit of that because they are 3,000 people who have had assistance and therefore have an opportunity to be able to secure their next opportunity, and we all get the benefit of the work that they do.

Mr NICHOLLS: Sure. Will you be considering those people employed under this program, whether it is 2,300 people at six months or 380 FTEs for three years, as part of the creation of the 100,000 jobs promise that was made prior to the last election?

Mr FRASER: As you know, the government's benchmark for achieving that election commitment was nominated during the election campaign as the ABS labour force data, which is released every month. I know that has been subject to what I believe is some disingenuous criticism because, ultimately, if there were a resolve by the government to use any other benchmark other than the ABS data, which is the independent assessment body in this nation that counts employment outcomes, I pretty much can guess who the first people would be who would point to us and say, 'Utilise the ABS benchmark as the independent benchmark.'

So I make the point explicitly that we are prepared and resolved to use the ABS as the benchmark, which is clear, for the government's commitment to deliver a net 100,000 jobs during the term of its office, during this parliament after the election. We do that recognising that the ABS has its definitions of employment, which are set and which are in accordance with internationally accepted definitions of employment. For good measure, the employment definitions have been enduring and in line with national rates.

I take the opportunity to place on the record of the estimates committee a previous quote from an employment minister past with whom I share not many attributes, but others may make that judgement. Employment minister John Howard in 1980 said to the Queensland parliament in answering a question on this front that the government did not intend—that is the government he was a member of—to instruct the statistician to depart from the internationally accepted definitions of employment and unemployment—that is, that they would utilise the ABS definitions of employment and unemployment.

I would make the point explicitly that someone who works 34.9 hours per week is regarded by the ABS as being a part-time worker—35 hours is the point at which it nominates the cut-off, and there needs to be a cut-off nominated. So on that front, to the extent that people are judged by the ABS to be in gainful employment, then that is the benchmark that we will be utilising. There is no role for government to make an assessment. It is not a decision we make; it is a decision that the ABS makes. And, for better or for worse, we continue to stand by what the ABS assessment is.

Mr NICHOLLS: Thanks, Treasurer. According to the ABS labour force detailed quarterly figures breakdown, we are seeing that there is a substantial number of job losses in the real estate and associated elements industry. I think it probably does not come as a great surprise to people that that is where a significant number of jobs are being lost. That occurs in the rental hiring and real estate services, with 28.2 per cent of full-time jobs lost in that industry in the last six months. Does the government have any particular programs in place to support businesses in that industry and to protect people who work in that industry?

Mr FRASER: Obviously, as I understand it—and I will be corrected if I provide you wrong advice at this point—it goes beyond just the concept of rental or real estate services and more broadly into leasing of equipment and other industries. The description of rental hiring and real estate services does not necessarily connote just the real estate industry but extends more broadly.

What the government has done obviously is put in place a range of measures. However, on the front of supporting the property market and the housing market in particular, which is a key employer on this front, what have we done? In this budget we have increased our efforts to support Queenslanders who want to build their first home. We led the way last year with stamp duty abolition for Queenslanders trying to get into their first home, abolishing stamp duty all the way to \$500,000. We have redoubled our efforts in this budget and gone further by assisting first home buyers who want to construct their first home to ensure that the stamp duty is abolished for them to \$250,000 on the land purchase to make sure that that support is provided to the housing market at a time like this. We do that in concert obviously with the first home owner boost program that was put in place by the federal government. It is interesting on that point to note—but it is not widely appreciated—that it is the state governments of Australia of all political persuasions that provide the first \$7,000 of the first home owner grant. Therefore we have had an increased expense over the last 12 months because of brought-on demand in the housing market. To have first home buyers representing around 30 per cent of the market now, they are key drivers of construction.

What does all of that amount to? It amounts to support for construction activity in the housing market, where first home buyers are key drivers of construction activity, to make sure that we have got that stimulus effect into the housing market. Other states have time limited additions to the first home owner grant of either \$3,000 or \$8,000, but what they do not tell you is that they still sting you on the way through for up to \$20,000 or more in stamp duty. In Queensland every red cent of the first home owner grant you get to keep, because if you are a first home buyer you do not have to pay a red cent in stamp duty. I think those policy settings are much better than the policy settings that exist in other states. I also would point out that the government has implemented, from memory in 2005—but I will be corrected on that front—the abolition of lease duty, which provides support—

Mr NICHOLLS: On commercial leases.

Mr FRASER: There was previously lease duty which applied, for instance, on hiring equipment. That has been abolished so that is no longer a feature of that industry. But obviously across-the-board we stand ready to provide the sort of targeted assistance that is required sector by sector.

Mr NICHOLLS: Following on from that, the UDIA has issued a press release in the last few days claiming that some 18,800 jobs have been lost in the construction industry over the last period of time in Queensland. As I have said on a number of occasions, construction and property development is one of the major planks of our economy, along with our minerals economy, tourism economy and a couple of others. One of the UDIA's major complaints has been in relation to the process, and I am sure everyone has heard from their representatives about it all. Is there any plan that you consider ought to be undertaken in order to assist and alleviate the pain being suffered by those in the construction industry?

Mr FRASER: There is, and that is why the government has stepped in with a range of measures, not the least of which is of course an \$18 billion building program of itself to provide the opportunity for construction workers. Secondly, we have undertaken reforms that have been implemented in relation to the planning framework which provide for improved performance by agencies, local government in particular and state agencies, in the development approval framework. There is the ability for the planning minister of the day to intervene and to put on time limits, to step in and make decisions, and to direct decisions to be made in order for projects to proceed.

We have also introduced into the parliament wide-ranging reforms in the planning system which provide for welcome reforms in terms of the performance of the planning delivery system. We do that in a way which recognises that we need to of course always ensure that the framework for development approvals recognises that not only the benefits of providing, for instance, the housing that the UDIA is particularly interested in need to be contemplated but also all the other needs must be accounted for in planning decisions, particularly in relation to the environment.

What is the dominant issue in the development industry, though? The dominant issue in the development industry far and away, ahead of everything else, is access to finance. The game has changed massively. I know this is something that has been discussed broadly. Access to finance and

the conditions at which it is achieved, particularly here in Queensland given the regional banking market changes, has been the single biggest change to the development industry here in Queensland. On that front, the federal Labor government has a proposal to provide for an initiative which would provide support to some investments in the construction industry that would assist jobs, and it has the support of the UDIA and the property industry.

Therefore, I conclude my answer by enjoining you to put aside the opposition of your counterparts in Canberra and join with the Labor proposal to put in place the ability to provide access to finance to ensure that the concern that you state that you have, which I know is genuine, for the construction industry and the development industry is converted into a policy measure that would be of benefit—as identified uniquely by the property industry, including the UDIA, as having the benefit to employ people very quickly.

Mr NICHOLLS: So do you want me to make representations for you in Canberra about the ‘Rudd bank’?

Mr FRASER: As you know, if the Liberal Party, which is as I understand it connected to the beast known as the logo that is the LNP in Queensland, changed its mind in the Senate then it would be up and away, and access to finance would be available after the passage of the legislation through the Senate and therefore the static concern for employment in the development industry would breach the political divide and be able to proceed. I enjoin you on the mere presumption that Liberal senators in Canberra may be more disposed to hear of someone from your stripe rather than my stripe.

Mr NICHOLLS: I will not comment on that. Treasurer, one of the areas that comes within your portfolio and something that again is of interest to me and I would not mind some further information on is the Queensland Clinical Trials Network. I believe that falls within the innovation part of your portfolio. Can you advise us of the expenditure anticipated for the areas under which the Queensland Clinical Trials Network falls?

Mr FRASER: I invite Brian Anker from the agency to provide some information on that front.

Mr Anker: Thanks for the question. The Queensland Clinical Trials Network was established to assist the growth of the biotechnology industry in the state. The concept was to grow the ability for clinical trials to be undertaken in Queensland, building on the good research that had been undertaken by a number of researchers in our universities’ research organisations. As a result of that, one of the shortcomings in the ecosystem, if you like, within the biotech industry was a lack of critical mass for clinical trials being undertaken in the state. They can be undertaken in a public health environment or a private health environment, but there is a need to coordinate that activity to give it some critical mass and some drive. Typically, in a space like small businesses have they are sometimes too small to aggregate and be able to move offshore and promote their services. So the concept of the Queensland Clinical Trials Network is to be able to badge a number of organisations based in the state together and actually promote their services not only to national players but also to international players.

In a lot of the pharmaceutical areas for clinical trials there needs to be a number of phases in that clinical trial process—from preclinical trial, stepping through to phase 1, phase 2 and phase 3, and phase 4 is actually the progression of the pharmaceutical trials into the marketplace. As a result of that whole mechanism, we have put in place a support for rolling out that Clinical Trials Network. It is managed by an alliance group of members. It is not part of the Queensland government instrumentality at all. It is a private sector led initiative which the Queensland government is funding. The Queensland government over the last several years has allocated \$5 million to that initiative, and as a result we are seeing that there is a commitment of purpose from that particular group which is now marketing this service not only nationally but also internationally.

CHAIR: That is the end of non-government questions. If there are no further questions and the committee is happy, I propose that we call an end to that area of scrutiny. I thank the Treasurer for the opportunity to scrutinise his portfolio. I thank all of the officials and people who have contributed to the estimates process today. A lot of work goes into preparing for this committee’s scrutiny. We will now undertake the scrutiny of the Department of Public Works, but we might have a short break first.

Mr FRASER: Thank you to the members of the committee and all staff involved. I wish you well in your deliberations for the remaining part of the day.

Proceedings suspended from 4.30 pm to 4.55 pm

ESTIMATES COMMITTEE A—PUBLIC WORKS AND INFORMATION AND COMMUNICATION TECHNOLOGY

In Attendance

Hon. RE Schwarten, Minister for Public Works and Information and Communication Technology

Department of Public Works

Mr M Grierson, Director-General

Mr M Smith, Deputy Director-General, Works

Ms N MacDonald, Associate Director-General

Mr W Pashen, Chief Financial Officer, Corporate and Executive Services

Mr J Fennell, Assistant Director, Finance, Corporate and Executive Services

Mr I Jennings, General Manager, Building Services Authority

CHAIR: I will start the proceedings five minutes early. Given that it is a long day for the committee, those five minutes will be useful at the other end of this hearing.

I declare this meeting of Estimates Committee A now open. My name is Simon Finn, the member for Yeerongpilly and chair of the committee. Joining me on the committee is Mrs Betty Kiernan, the member for Mount Isa; Mrs Julie Attwood, the member for Mount Ommaney; and Mr Kerry Shine, the member for Toowoomba North. Also joining me on the committee is Mrs Jann Stuckey, the member for Currumbin; Mr John-Paul Langbroek, the member for Surfers Paradise and deputy chair, and Mr Tim Nicholls, the member for Clayfield.

This afternoon the committee will examine the proposed expenditure contained in the Appropriation Bill 2009 for the portfolio of the Minister for Public Works and Information and Communication Technology. I welcome Minister Schwarten and his advisers. We will examine estimates in the portfolio until 7 pm.

Mr SCHWARTEN: 6.55.

CHAIR: Sorry, Minister, 6.55 pm. The proceedings today are lawful proceedings subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 206. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography during my introduction and the minister's opening statement. The committee has also agreed to the live broadcast of the hearing via the Parliamentary Service website and to receivers throughout the parliamentary precinct. Before I begin, can I ask that if you are carrying a mobile phone you switch it off now.

The time limit for questions is one minute and three minutes for answers. A warning bell will chime 15 seconds before time runs out. An extension of time may be given with the consent of the questioner. For the benefit of Hansard, I ask advisers if you are called to give an answer to please state your name before speaking.

I now declare the proposed expenditure for the portfolio of the Minister for Public Works and Information and Communication Technology open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, I am sure you have an opening statement so I would like to offer you five minutes to present that to us.

Mr SCHWARTEN: Thank you very much, Mr Chair, and committee. I will make a few opening comments, and I look forward then to addressing any issues your committee may wish to raise with me in regards to my ministerial portfolio. There is an old saying that the more things change, the more things stay the same. Let me start with the things that have stayed the same since I appeared before the committee 12 months ago. Firstly, I am still the Minister for Public Works and Information and Communication Technology. This is my fifth term in this role. I still have the same director-general, Mal Grierson, and I still have ICT as a major responsibility for the whole-of-government. I am glad that Natalie MacDonald has come over from Housing as well to help us out.

Public Works still has a huge Capital Works Program to deliver. My blue-collar building maintenance workforce, QBuild, has taken on another 100 Queenslanders as trade apprentices. We continue to focus our efforts in energy saving and environmentally sustainable activities, and the BSA is still working with builders and consumers to ensure that all parties get a fair go.

Let us talk about the things that have changed. The major change affecting my department, the Queensland government and every government in the world is the global financial crisis. The key impact of this crisis on the Department of Public Works is our role coordinating the Commonwealth national stimulus package for Queensland—the rollout of over \$4 billion of construction work in schools and social housing throughout the state. This is a huge task but one that I have confidence we can deliver.

The financial crisis has also accentuated our role as the central cost-effective provider of back-of-house services to government agencies. As every agency strives to achieve savings targets, Public Works will need to work even harder to ensure that our services—that is, fleet, accommodation, telecommunication, building maintenance and so on—provide essential value for money.

ICT continues to bring change to the way we do business and in promoting new opportunities with the advances in technology. My work with the local ICT industry has seen that sector play an increasing role in our ICT agenda—a role that will be further advanced in the coming year.

As a result of reforms in the public sector since the election, there has been a strong focus on agencies being consolidated to concentrate on their specific area of service delivery. To this end, Smart Service Queensland has been added to my department to further strengthen our ability to support agencies through our ICT platforms—in the case of Smart Service Queensland, by the provision of online and telephone services to the public of Queensland.

Further changes in the ICT space include the opening of our Polaris data centre, in which we are now installing the first equipment, and the commitment by the Commonwealth government regarding the rollout of the National Broadband Network. The impact of the NBN on a state as decentralised as Queensland will be enormous.

The big change since last year relates to jobs. In my opening comments last year I stated that the building industry in particular continues to struggle with the recruitment and retention of a skilled workforce. Today just 12 months later we are facing increasing unemployment in all sectors of the workforce, particularly in the building industry, and all the indicators and forecasts are predicting that there is worse ahead.

Through our procurement activities, our capital works programs, our ICT initiatives and our apprenticeship and trainee schemes, my department will be a strong supporter of the government's jobs creation policies. I will continue to work closely with all industry sectors, particularly the building and ICT industry sectors, during these difficult times. I look forward to addressing the issues that you will no doubt have.

CHAIR: We will begin with non-government questions. I will call on the member for Currumbin to begin the process.

Mrs STUCKEY: Good afternoon, Minister—or good evening almost—and to staff and our long-serving committee here as well. My first question relates to page 2-232 of the SDS and cost-effective government service delivery. According to the aggregation of available data, the 2009-10 budget provides for revenue of some \$2.339 billion using assets of \$4.784 billion which generates an operating surplus of \$356,000 after some \$53 million of grants. Without those grants, there would be a loss of \$52.6 million. Can the minister explain if this result is due to competitive pressure from potential private suppliers, or is there some other reason to run at a loss?

Mr Grierson: Could you quote that page number again?

Mrs STUCKEY: It is page 2-232 of the SDS. I am speaking broadly about cost-effective government service delivery.

Mr Grierson: We cannot find that reference, I am sorry. Page 232?

Mrs STUCKEY: 2-232.

Mr SCHWARTEN: Reduction of costs of services provided to agencies by the department's commercial business unit?

Mrs STUCKEY: I am sorry, 2-230. I beg your pardon.

Mr SCHWARTEN: You had us bamboozled there for a minute.

Mr Grierson: I am sorry, we will need to hear the question again.

CHAIR: Start the full 20 minutes again and start the question again.

Mrs STUCKEY: I refer to page 2-230 of the SDS and cost-effective government service delivery. According to the aggregation of available data in this portfolio, the 2009-10 budget provides for revenue of some \$2.339 billion using assets of \$4.784 billion, generating an operating surplus of \$356,000 after

some \$53 million of grants. Without the grants, there would be a loss of \$52.6 million. Can the minister explain if this result is due to competitive pressure from potential private suppliers, or is there some other reason to run the department at a loss?

Mr SCHWARTEN: There is certainly a level of grants that come to assist the operations of the department, but if your question is: do our business units run at a loss, Project Services certainly does not. QBuild last year returned a profit. SDS breaks even. I think Goprint is one that has received a grant. What is the figure, Mal?

Mr Grierson: There is the outlook for each of the business units.

Mr SCHWARTEN: But they are talking about \$50-odd million in grants. There is no way in the world that that comes out of those figures. Did you want to have a go at it?

Mr Pashen: I assume the grants that you are referring to relate to some of the shared service providers. They are not actually commercialised business units. I assume that you are talking about CorpTech and the SSA. Regarding grants that are paid to our commercialised business units, there is a grant to QBuild for apprentices and there is a grant to Goprint for reserved services, but I think the amount of \$50-odd million would relate to CorpTech and Shared Service Agency grants, which is not part of the commercialised business unit forum.

Mrs STUCKEY: The figures I have come up with are an aggregation of salaries, expenditure, revenue and assets of each agency which was not put together by the department. I had to add up those figures myself, so I am referring to the whole department.

Mr Grierson: Mrs Stuckey, we do not have a huge grants program, so I really do not know to what you are referring. There is a CSO provided by Treasury for our apprenticeship program, as Mr Pashen explained. We have money provided for our disaster recovery of about \$880,000 each year. We have a subsidy for Goprint for reserve services of \$750,000. I do not know of any other grants, so I am not sure where those figures are coming from. If you could refer us to a table in the SDS perhaps?

Mrs STUCKEY: Each department's table with your grants and subsidies.

Mr Grierson: Each department?

Mrs STUCKEY: Each agency within the department.

Mr SCHWARTEN: Business unit, you are saying?

CHAIR: Member for Currumbin, you have taken information from a number of tables and tallied them together to form this question; is that right?

Mrs STUCKEY: I beg your pardon?

Mr SCHWARTEN: You have aggregated information—

Mrs STUCKEY: Yes. I have added up each of the assets, the salaries and the revenues from each of your business units and come to that total. The grants and subsidies I am referring to are moneys that are received. That is how they are reported in the document.

Mr Pashen: The grants that you are referring to relate to administered items, and they are paid from the consolidated fund to the Shared Service Agency and to CorpTech for a number of programs that they are running within those divisions. The Shared Service Agency and CorpTech are on a cost-recovery basis. Those businesses do not generate profits but there are grants provided for specific programs that are run within those particular units. But they run on a different basis to a commercialised business unit.

Mr SCHWARTEN: I have a set of annualised figures for the various business units since their inception. QBuild over that period of time has returned an annual average profit of \$7.726 million; Project Services, \$6.488 million; QFleet, \$7.9 21 million; CITEC, \$2.073 million; Goprint, \$379,000; and SDS, \$116,000. Sorry, Goprint is a net loss. My apologies, it is an annualised loss of \$379,000.

Mrs STUCKEY: I move on to question No. 2. I am referring to government question on notice No. 10, which relates to CorpTech. I ask the minister: how many government departments have implemented the new HR SAP system developed by CorpTech and how many continue to utilise Legacy and existing systems?

Mr SCHWARTEN: I might switch that one to you, Mal.

Mr Grierson: We took over CorpTech on 1 July 2008. At that time there were 10 departments using the CorpTech financial system. The HR system that existed when we took this over was the Lattice system for Health for what was then the emergency services department and the department of corrections. The TSS system was running the education department's payroll and HR. The Aurion system was running for the bulk of the government agencies other than a couple running the SAP system. The new SAP system, ECC 5, was in fact implemented in the housing department prior to us taking over CorpTech. They are the main payroll and HR systems that existed.

Mrs STUCKEY: What is the minister's targeted time frame to implement the SAP finance and HR systems across all entities? What are the reasons for the delays?

Mr SCHWARTEN: We are currently implementing the system in Queensland Health. I do not have the letter with me, but IBM wrote to me today and said that it is the most complicated system that they have ever had to deal with in Australia. They will be able to implement that in three years instead of five years. As the director-general said, we only took this program over in July last year. In terms of time frames, I will hand over to Mal.

Mr Grierson: Since we took this project over we have changed direction in terms of where it was heading initially. The focus when we took it over was on the HR and payroll systems. At the time we realised that with the current economic situation and the global financial crisis it was essential that we focus on the financial systems of government and ensure that each department had a robust, modern, up-to-date finance system.

We looked at the state of the systems across the agencies. We realised that we had a variety of SAP versions out there. There were about five different versions of finance systems. So we have changed direction and have now moved to upgrade our finance systems, starting with the Department of Community Safety, to the modern last release of SAP.

However, at the same time we looked at the legacy systems that you mentioned before, Mrs Stuckey, and we realised that the Lattice system that is running the Health payroll is a very old system. Health would probably be the most complex department in terms of the award structures, the rostering that is required and the geographic diversity of people throughout the state. We have continued on using IBM to implement a new SAP payroll-HR system to replace Lattice. We are continuing with that.

We now have the new structure of the public sector where there are 13 agencies instead of 23 or 24. We are now looking at the particular requirements of each individual agency. For example, the old emergency services and corrections departments are now combined into the new Department of Community Safety. We need to make sure that they are on the same payroll-HR system and, more importantly, the same finance system.

We have changed direction. As far as when, our target now is not to have a single system for the whole of government. We are going to rationalise down to four or five payroll systems and two or three finance systems.

Mrs STUCKEY: Does this change of direction incur extra costs?

Mr SCHWARTEN: No. We have a budget that we were given at the start and we will keep to it. We were given the project and we were given a budget and that budget will stand. There is no more money. You probably had the Treasurer in here this afternoon grilling him about that subject.

Mrs STUCKEY: My next question relates to page 2-283 of the SDS. Sales and Distribution Services states that its goal is to build market share in the highly productive office products and private school markets. As this Labor government has embarked on a fire sale of Queensland taxpayers' assets, I ask the minister why he is attempting, through his department, to compete with the private sector when his department has no credibility here and an appalling track record.

Mr SCHWARTEN: I do not think that is true. That is patently untrue. I think we have proved that a number of times. The latest one is the rollout of security for housing for Queensland Health. I went out and hung the last door for the program out at Cunnamulla. I think private enterprise proved that it could not do it in far-flung places in the state. I reject that statement. In terms of fleets, we run one of the best fleets in Australia. We certainly have the most innovation. We certainly have the greenest fleet. I reject that that is the case at all.

If SDS was not in the market you would have two majors. It would be a bit like what Coles is trying to do with fuel at the moment. SDS is out there and Education Queensland loves it. I have plenty of letters from schools saying so. Otherwise you would have the two big corporates out there. We are actually servicing schools. We are an honest broker in the middle. As far as I am concerned, it is an honest broker.

I also reject the notion of a fire sale, by the way. I know that politically that is easy for you to say and I expect you to say it, but the reality is that selling things in three to five years is hardly a fire sale. The last time I looked you were not opposed to selling off everything. Everyone who has ever sat there has always criticised us for having Goprint, SDS, QBuild, Project Services and so on. I have no doubt that if you ever get into this seat that is exactly what you will do.

Mr LANGBROEK: You are selling them, are you?

Mr SCHWARTEN: They are not for sale. That is what I am saying. That is what you want me to do. Every time I have sat here every shadow minister—I think there have been five or six of them—has said to me that we should privatise all of those things. Now you are saying that we are having a fire sale.

Mr LANGBROEK: I have not used those words, Minister.

Mr SCHWARTEN: I think you might have. Goprint is a hardy annual.

Mr LANGBROEK: I might have said that there were some efficiencies to gain.

Mr SCHWARTEN: I think what you said was, 'When are you going to get rid of it?'

Mrs STUCKEY: We will not leave Goprint out today, don't worry. My next question relates to the SDS at page 2-292, the Shared Service Agency. In the 2008 estimates hearing the minister referred to the Shared Service Agency as the engine room of government. I draw the minister's attention to the \$30 million shortfall in user charges experienced by the Shared Service Agency in 2008-09 and ask the minister if he would be kind enough to itemise the individual departments and services that had to be returned that the Shared Service Agency could not provide despite being budgeted for?

Mr Grierson: There were services that were returned to agencies when we took over the Shared Service Agency. The Service Delivery and Performance Commission did a review of the Shared Service Agency. I would be the first to admit that it was trying to do too many functions for too many agencies. When we took over the Shared Service Agency we looked at what the SDPC had said and we pushed back to agencies those services which we believed could be most effectively delivered by the agencies themselves. We had provided a list, I thought, in the answer to your first question on notice of what services we have sent back to agencies. They are things like recruitment planning, which I think is more suited to the agency itself.

Mr SCHWARTEN: It is something that the Shared Service Agency was criticised for by various agencies.

Mr Grierson: Workplace health and safety is again a function that is very specific to the agency. My workplace health and safety in Public Works for my blue-collar workforce is totally different to the workplace health and safety requirements of, say, Queensland Health or Child Safety or other agencies.

It was not because the Shared Service Agency could not deliver these functions. It was done on two counts. The first is that they were better suited to the agencies themselves to deliver. There were even counselling services that the Shared Service Agency was trying to undertake on behalf of agencies. The second reason is that I wanted the Shared Service Agency to concentrate on its real bread-and-butter issues, which are HR, payroll and finance. That is what we have done with the Shared Service Agency.

We are concentrating on streamlining those operations to make sure that we have a standard process across government. I am pleased to say that the minister, with the Premier's support, has given us the ability to mandate across agencies now. We look at business processes such as the processing of corporate card and we now say to agencies, 'We don't care whether you like it or not; this is how the process will be done to get cost-effective delivery of those services.' All agencies must follow. That is why those services were passed back.

Mrs STUCKEY: Is the minister prepared to supply a list to itemise those?

Mr SCHWARTEN: I do not have any objection to that at all.

Mr Grierson: We answered your question No. 1 and we actually listed all of the services that we have passed back to agencies.

Mrs STUCKEY: I am aware of that. I understand that there is some \$16 million accounted for in that. My question was about the \$30 million shortfall in user charges.

Mr Grierson: Where are you referring to a \$30 million shortfall in user charges, Mrs Stuckey?

Mrs STUCKEY: From the 2008-09 budget—last year's budget.

Mr Pashen: The second part of the answer relates to the performance return that is associated with the Shared Service Agency. There was a transfer within government whereby the performance return that was previously paid from the Shared Service Agency back to the Consolidated Fund was taken off the department's forward estimates as an alternative. By doing that, it meant that the prices the Shared Service Agency would charge client departments would drop accordingly. It is a reduction in pricing.

Mr SCHWARTEN: Rather than a loss.

Mr Pashen: It is not a loss.

Mrs STUCKEY: The government's question No. 5 praises the Kurilpa Bridge project. I note from the reply to this question that an external project management firm was engaged to assist the minister's department through all stages of the project—initiation, design and construction. Why did the minister not use Project Services? Are they not supposed to be able to provide this expert advice?

Mr SCHWARTEN: We do have a Project Services project manager on the job. It is not uncommon to deliver the project in the way that we did. Fundamentally, it is being delivered through Project Services. It is no different to how we delivered Suncorp Stadium or the Gallery of Modern Art or anything else. I do not think there is much more I can add to that.

Mr Smith: This is how it is all structured. Project Services is in actual fact administering the contracts, which is the normal process that we go through. We did employ an external project manager to coordinate a whole range of approval activities. As you well know, when building across the river there are a multiplicity of people who get involved in approvals. We were using the project manager

more in the role of coordination of approvals and bringing together a whole raft of consultants on our behalf. The management of the contract and the management of the bridge itself is directly the responsibility of Department of Public Works officers.

Mr Grierson: To put it simply, we normally build buildings and therefore do not normally deal with people like Maritime Safety and those who handle all of the aspects related to the river when it comes to building a bridge. This project manager was engaged to coordinate, as my deputy said, all those additional type activities which are not normally part of the construction of a building, which is where our expertise lies.

CHAIR: We will return to government members' questions. I begin by referring the minister to page 2-257 of the Service Delivery Statement. I refer to the Nation Building—Economic Stimulus Plan. I understand that your department is responsible for the development of the procurement strategy for the stimulus plan. I am wondering whether you could give the committee some details of the strategy and its current status.

Mr SCHWARTEN: I am delighted to do so. There has been a bit of scaremongering by those opposite as to the role of QBuild and DPW in this rollout. I will say it again. Our responsibility was to procure contractors on behalf of Education Queensland. That is what we did in round 1 and that is what we are doing in round 2. In round 2, we have eight tier 1 contractors, which we are announcing today, who will project manage regional projects for 300 primary schools. Effectively, we have broken the state up into regions and each tier 1 managing contractor will have responsibility for managing downwards, if you like, smaller contractors. Why are we doing this? The answer to that is to give the smaller builders a fair go, a fair chop at doing projects that they probably normally are not involved in so that we can spread the money around the way the federal government wants us to do.

The great outcome of this is that we are getting new facilities in our schools, but it is our job to procure the contractors and our procurement method here has been aimed at what the federal government wants us to do and that is to maximise the job opportunities. There are 4,000 jobs in the \$600 million project announced today that these eight tier 1 contractors will manage. So what it will mean is when you get into the regions it is maximising the opportunity for those who are on our prequalification system to get the opportunity to build. So big and small builders will get an opportunity to create employment and to spend money in regional Queensland.

I think it is an excellent way that we have gone about it. We are doing it in close association with the Queensland Master Builders Association, the HIA and other organisations. I do not know whether there is anything you want—

Mr Grierson: I am the state coordinator for the program.

Mr SCHWARTEN: Sorry.

Mr Grierson: We have a whole range of procurement processes in place. As the minister said, the tier 1 builders will look after the small builders to ensure that geographically we have the right resources. We are also targeting geographically parts of the state that are suffering more unemployment than others to make sure that we try to stimulate the employment in those areas. We are working with builders in the middle range of our building workforce—the suppliers—to ensure that, where builder X goes into North Rockhampton State High School, that builder does not just undertake the national stimulus work—

Mr SCHWARTEN: He does work for us as well.

Mr Grierson: Yes, he undertakes any work that Education is having done at that school so we do not have builders tripping over each other or doing work that needs to be undone.

CHAIR: The Service Delivery Statement makes reference to QFleet's engine emission reduction target of 15 per cent by the end of 2010. Page 2-264 of the SDS states that a 9.5 per cent reduction was achieved by 31 December last. Given that, are you confident of achieving the 15 per cent reduction? What steps are being taken to reach that target?

Mr SCHWARTEN: When I took over this portfolio 11 years ago one of the first things that was handed to me was a document which had been prepared by the Borbidge government which was to privatise QFleet. I neglected to sign that and took it straight to cabinet and we knocked that on the head. I am very pleased that we did, because one of the things that we have been able to do by keeping this in public hands is to influence what is effectively one of the largest fleets in Australia.

We made a pledge 18 months ago that we would get the carbon emissions down by 15 per cent within three years. I am pleased to be able to advise the committee that as of the start of this month, this figure now stands at over 14 per cent.

Mr Grierson: 14.1.

Mr SCHWARTEN: 14.1 per cent. So in just 18 months, through careful intervention in that market in choosing the cars that we have by the Green Vehicle Guide, which I implemented as a result—you might remember Peter Beattie talking about getting rid of V8s and so on; we went to a Green Vehicle

Guide, which other states have then followed. How that works is from zero to 10, with 10 being 10 out of 10 for carbon emissions. So a Prius is about 7.5 and the big gas guzzlers would be eight or nine. So we have struck it at 5.5. Accordingly, as a result of changing the fleet the way we have, we have been able to reduce it by 14.1 per cent within 18 months. I think that is a pretty good effort from all concerned in QFleet.

I might just say that when I came into this job there was competition between Holden and Falcon for six-cylinder sedans. It was somewhat disappointing that both Holden and Ford had not seen the writing on the wall in terms of the environment and had not done what other car manufacturers had done and retooled to provide a viable GVG option to government. However, I am pleased to say that I have just trialled a Ford Ghia, which comes as standard, and Holden expects to have one out in September

Mrs ATTWOOD: Still on QFleet, it was reported in the media that the federal government will mandate that all new passenger vehicles introduced to the Australian market from November 2011 must have ESC as a standard feature. What impact will this have on your fleet of 14,000 vehicles?

Mr SCHWARTEN: Again, we are ahead of the game. The electronic stability control is computerised technology that improves the safety of a vehicle's stability by detecting and minimising skids. I have had a number of presentations from a number of car manufacturers on this issue. When ESC detects a loss of steering control, it automatically applies the brakes to help steer the vehicle where the driver intends to go. Braking is automatically applied to individual wheels, such as the outer front wheel to counter oversteer or the inner rear wheel to counter understeer.

QFleet has had the option of ESC available to agencies since 2006. For passenger vehicles in the small and medium categories ordered from 1 June 2009, QFleet has included ESC as a mandatory feature. This safety specification will also apply to the large passenger segment requirements when QFleet releases phase 2 of its invitation to offer to manufacturers in August this year. To cut to the chase, further cost impacts of the introduction of ESC on the government fleet are expected to be minimal by the time the federal government's mandate for the introduction of ESC takes effect in November 2011. By this time, it is estimated that the Queensland government fleet will already have approximately 5,300 passenger vehicles, or 71 per cent of its total active passenger fleet, equipped with ESC. The introduction of minimum safety standards serves to eliminate vehicles from the fleet that do not offer high standards of occupant and driver safety while maintaining a suitable selection of vehicles in all segments that meet the fit-for-purpose requirements of agencies.

In addition to ESC, six air bags and a minimum four star Australian New Car Assessment Program, or crash test rating, is required for all small and medium passenger vehicles. The cost impact of the decision to introduce mandatory high standards of vehicle safety has been minimised through QFleet's new procurement arrangement with manufacturers, which commits to volume orders on manufacturers. While this strategy reduces the variety of vehicles available for lease from QFleet in any one segment, it guarantees that passenger vehicles available to agencies are among the safest and greenest on the market.

As vehicle technology improves, both higher safety standards and lower emission engines will become less costly, assisting in lowering the risks and the overall total cost of ownership to government. Furthermore, Queenslanders who purchase a used car from QFleet will benefit from the high standard of safety features fitted to the vehicle. This will also serve to extend the introduction of these minimum safety features in vehicles on Queensland roads.

In summary, the impact of the federal government introducing ESC as a standard feature on the Queensland fleet of 14,000 vehicles will be minimal as the necessary steps have already been taken to ensure that the Queensland government vehicle fleet is one of the safest in Queensland and in Australia.

Mrs ATTWOOD: Thank you, Minister. That sounds like you are ahead of the pack on safety issues. I refer to pages 2-302 of the Service Delivery Statements for the Queensland Building Services Authority, and I ask: what actions are you taking to address unfair contractual terms and creating a level playing field for both contractors and consumers?

Mr SCHWARTEN: Thanks for the question. This is something that has concerned me for quite a while and I am sure that, as members of parliament, every member of the committee at some stage has come into contact with a consumer who has signed a contract with a builder and, as a result, got themselves tangled into a mess. One of the objectives that I have had for a long period of time is to get a standardised contract in Queensland that protects all sides. At the moment, Master Builders has one, HIA has one and BSA has one. My view is that people get confused with it. It ought not be that hard to get a standard building contract for domestic construction.

One of the pitfalls that happen is that contractors can write in things like payment up-front—rule out the bit about payment in stages and expect the front loading of payments as a result, which always ends in tears with that happens. I am aware of the situation in Bundaberg at the moment where people have paid up to \$30,000 in cash up-front to a builder to say that they are going to get preferential

treatment. That is a very foolish thing for people to do, but people get trapped into these things. So it is our aim to bring in legislative changes to make that occur because currently we do not have the legislative provisions to allow that to happen. But I am sure we will get bipartisan support, as we have for every other initiative in that regard.

One of the things that we have done, however, is to consult with both the HIA and the Master Builders and they are prepared to make those sorts of changes in the contracts. I congratulate both of those organisations for their maturity. It is not in their interests to have the building industry's name sullied by contractors who are doing the wrong thing by the consumers. For the amount of work that is done in domestic construction in Queensland, the problem is not as widespread as somebody would have you believe. It never ceases to amaze me how people who, for example, would not go into a shop and leave a \$100 note saying that they are going to pick up the groceries in a fortnight's time will give a contractor that amount of money simply because the contractor tells them to do so. But as I say, for the billions of dollars that are spent on building contracts a year, it is not a huge problem, but it is one that I am sure every member of parliament has come to me about. So we plan to fix that in the very near future. But full marks to those agencies for their help.

Mrs KIERNAN: Minister, with reference to the performance statement on page 2-304 of the Service Delivery Statements for the Queensland Building Services Authority, I ask: how are you planning to combat unscrupulous builders who commence tribunal proceedings as a delaying tactic to prevent the BSA from assisting homeowners affected by the builder's defective work?

Mr SCHWARTEN: Under section 83 of the BSA act what a builder can do to frustrate the process is simply go down to the tribunal and lodge a dispute. As I say, it is only a minority of builders who do that, but when they do it they frustrate the process and the poor old consumer is sitting there with a half-finished house or defects that are occurring in the house—the roof is leaking and damaging the property further—and there is not a damn thing that the BSA can do about it, because once it is registered as a dispute it then has to go down the pathway of being settled in that tribunal.

I have been frustrated by this on a number of occasions. It is the one area that I think gets us the most criticism. They say, 'Why doesn't the BSA do something about that?' What we do is we go and say to the builder, 'You go and rectify the defects.' The builder says, 'We don't agree with you. We'll take you to the tribunal.' So the leaks keep coming in and the tribunal deals with it as it can, along with all the other work.

I see Kerry Shine, the former Attorney-General, here. He is well aware of this issue. We discussed many times what we may be able to do. The reality is that it will require legislative change, which will happen as part of other legislation this year. It will enable people to go before the tribunal and say, 'Look, this bloke is just frustrating us deliberately. There is loss to property, there is damage, there is XYZ' and the tribunal will be able to bring the matter forward on that basis.

I think it is a sensible solution. Again, we will be looking for bipartisan support for this. We will arrange a briefing for the shadow minister about this. I think it is eminently sensible. The law is there certainly to allow both sides to disagree with the BSA's ruling. They must be allowed to do that. The BSA cannot be seen as God and as never getting anything wrong, just as the consumer cannot be seen as God, or the builder for that matter. There is no doubt in my mind that some unscrupulous builders—again, a tiny minority of them—use this system to their own advantage and the consumer misses out at the end of the day and ends up with defects that cannot be fixed under the warranty scheme in a lot of cases because it is damage that has been caused along the way. I think that change will make a whole manner of difference to the issue.

CHAIR: In response to one of the questions on notice that has already been referred to by the member for Currumbin you provided a comprehensive report on the planning, design, construction and safety of Kurilpa Bridge. I ask: based on that information that you have provided, are there really any doubts about the safety aspect of this bridge?

Mr SCHWARTEN: No, there is not any whatsoever. I have to say that I am pretty disappointed about what some people have said about that bridge. Certainly beauty is in the eye of the beholder and people are entitled to criticise what it looks like. I happen to think it looks great, but there are other people who have a different view. Kelly Higgins-Divine from the radio says that her father thinks it looks like knitting needles or something. I did happen to say to her that anybody who did not like it would have a bad taste in their mouth. She said, 'Well, that was my father.'

What I will not accept is that that bridge is in any shape or form unsafe. I think it is a terrible insult to the designers. I think it is a terrible insult to the builders that Queensland based firms cannot build a bridge that would not collapse. What we had was a traffic report that was written by traffic engineers—not by civil engineers, not by structural engineers, not by anybody who knows anything about building bridges—that said that the tensegrity of it lacked integrity.

This is a bridge that has had international specifications rolled over it. This is a bridge that will withstand the type of damage that was referred to without tipping everybody off it. I think it was regrettable, especially the Lord Mayor's comments, which were made for purely political reasons, as far

as I could see, on the day he brought down his horror budget to divert attention from himself. I hear around the traps—and the media might want to chase him up on this—that it is not all hunky-dory and tickety-boo on the one he is building. I heard they are having more trouble than the first settlers.

The reality is that this is a bridge that is built to the highest possible specifications and something about which this city and this state should be proud. Tensegrity—the use of tension and integrity—is not normally used in bridges; it is used in art, in sculpture. I think it is a great thing. Cox Rayner is a Queensland company that has designed many bridges and buildings that are great and we should be proud of that. Boulderstone has done a lot of work in Queensland—again, the same thing. The bridge is coming in on budget and on time and is safe.

When I had the press conference in here Arup went to great lengths to make that point on that day, when I had Ian Ainsworth from Arup. These are international companies who have had their name sullied and I think are owed an apology, quite frankly, by those people who suggest that either the Queensland government or those companies would build something that was unsafe.

Mrs STUCKEY: Minister, I refer to SDS page 2-278 and the utilisation of core equipment and resources for Goprint. Goprint fell 20 per cent short of meeting its target for this utilisation in 2008-09. Minister, you boasted in the 2008 estimates hearing that you believed that 'what Public Works is very good at is running business units'. Would the minister outline the projects that made up this 60 per cent capacity? Given his previous statement to estimates that 'while he still has breath in his lungs there will be a Goprint', what steps has the minister taken to ensure 100 per cent utilisation of core resources?

Mr SCHWARTEN: Just for a start, every sitting day you will see the Goprint bloke pull up out the front and you have delivered to you the greens. They print every budget that comes out and there has never been a leak. That is all produced over there by those people. Yes, while I have breath in my lungs that will still be the case. Mal Grierson might give more information.

Mr Grierson: Those figures relate to the utilisation of the core equipment of resources. No printer would use 100 per cent. That tries to say that we want to use the equipment as much as we possibly can. Obviously we can only use the equipment if we have the printing work to do. There has been a fall-off in the amount of printing work that Goprint has been receiving. Some of that is because of the fact that—we are in a bit of a catch 22 here, being also the director-general responsible for information technology—a lot of information technology is taking us away—

Mr SCHWARTEN: Especially in the parliament, all the bills and papers.

Mr Grierson:—from printed material and we are now heading towards more online activity, which takes printing away. You will have seen in a recent media announcement that some of the job gazettes are no longer going to be printed; they are all going to be presented online. That is work that Goprint would normally have done which will no longer be available. The utilisation is down. It is reflected totally in the amount of work that Goprint receives from the client agencies.

Goprint, I might add, is an untied business unit, which means that the departments do not have to use it. That is the first parameter within which it operates. The second parameter is that it cannot go outside the government. It cannot toddle down to Myer or David Jones and say, 'Hey, I would like to print your catalogue for you.' It can only do government work. So it is in a difficult environment.

Mr SCHWARTEN: I just want to add something to that. Following the restructure of Goprint, in the next two months we will be establishing a print management unit which will be taking a whole-of-government approach to printing. That is something that has not been done before. In my view, Goprint will be able to compete very well for the types of presses that it has. The number of jobs has decreased through natural attrition from 90 to 67. My view is that Goprint is undergoing change. I am confident that the people who work over there are aware of the challenges ahead of them and they are equal to the task.

Mrs STUCKEY: What is the point of estimating that you have 80 per cent core utilisation if there really is such a strong indicator that it is difficult with business out there to make up that 20 per cent? Also I gather that your last comments were alluding a bit to the centralising of a unit that you have indicated in the past you think is the way to go. I just wonder what your success will be in getting the other agencies to do that. I would ask if you would perhaps answer my first question, which is why would you continue to put a target estimate of 80 per cent in this budget?

Mr SCHWARTEN: My view is that things will change when we get the mandated right to bring in all printing work across government. There are various estimates about how much printing there is in government. This is something we are doing across government increasingly—taking away options from departments and starting to mandate the use of the Print Management Unit. The SDPC estimates it was over \$100 million worth of printing. Goprint does not get an opportunity to even price some of those jobs. My view is that when they are allowed to do that they will be able to compete favourably with private enterprise. It is something that I have been seeking for quite some time—the opportunity for all government work to be apportioned through one agency so that we know exactly what people are spending, so that we can get the economies of scale the same way we do in QFleet by going out to the market with a bulk order. That is what we should be doing across government in printing. As I said, that print management unit has not started yet. It will be up and running in the next couple of months.

In my view it is a reasonable target to set for it. I would be interested to see what the private enterprise comparator is at the moment out there in the printing as to whether or not they have the same level of utilisation. I can tell you that from some of the information I have had from printers around the place they have been doing it a bit tough lately. There is no reason why you would expect them to do it any tougher than Goprint in this downturn. Increasingly, the printed material we use is going to dissipate. What Goprint is very good at is long runs of high-volume stuff. That is what they now have a good press to do and that is what, in my view, will change things around.

Mr Grierson: The only comment I would make is that that 80 per cent is a target. When that target was set, obviously the government printer did not know that the jobs gazette was going to be taken off them and go online and there were a couple of other jobs that they would normally have expected to get on a regular basis which are now, through information technology, not being printed.

Mrs STUCKEY: I take that comment. I guess 20 per cent is a fair amount, though, is it not? I would like to stay on Goprint, if I may. I note the strict security and mandatory time frames that Goprint is required to work under. Considering the sensitivity of a number of documents, what specific measures are in place to check for security breaches? Can the minister advise how many breaches or intrusions occurred or have been detected this past financial year?

Mr SCHWARTEN: None that I have been made aware of. I do not know whether you have—

Mr Grierson: None that I am aware of. Mike Burnheim might know. We are not aware of any.

Mrs STUCKEY: Because you are not aware of any, does that mean they could not be happening? Do you have the capacity to detect them?

Mr Grierson: It depends on the nature of the work. We do know, for example, that for budget papers Goprint has printed the budget papers for—

Mr SCHWARTEN: Forever.

Mr Grierson:—for longer than I have been around. There has never been a breach or any information leaked in advance of the budget papers.

Mr SCHWARTEN: Royal commissions.

Mr Grierson: Royal commissions, the CJC and now the CMC—all their reports—the SDPC—

Mr SCHWARTEN: Ballot papers.

Mr Grierson:—ballot papers, and New South Wales sent up their examination papers for their grade 12 exams to Goprint to be printed. So we are regarded at Goprint as being one of the most secure printing facilities in Australia.

Mr SCHWARTEN: That is one of its strengths. We have actually done work for other governments on this basis. I think we even did some work for Timor, did we not? I certainly remember a referendum in which we were able to partner with private enterprise because we offered the security and they had a product and we were able to use it at Goprint. That is one of its real strengths. We certainly did some work for the New Zealand government some years ago, too.

Mr Grierson: I have never heard—

Mr SCHWARTEN: I have never in that time had occasion to believe that there were security breaches. There has never been any doubt.

Mr Grierson: The processes that we have in place, as I said, for the CMC, for the Treasury budget papers and for electoral ballot papers are second to none.

Mrs STUCKEY: I admire your confidence. The next question is—

CHAIR: You would be happy to hear of any breaches.

Mrs STUCKEY: We would be very happy to hear of any breaches as would any company that values its reputation. My next question is with regard to benchmarking. QFleet only benchmarks itself against other state government fleets and not any commercial enterprises. How can the minister be satisfied it provides a commercially viable service?

Mr SCHWARTEN: I am pretty confident of that.

Mr Grierson: I will start off answering and I might call for more details if we can. We are members of the Fleet Management Business and Improvement Peer Group. True, we do benchmark against other government fleets, but the difficulty we have is that we cannot benchmark against some of the private sector fleets. If we go to Avis and Hertz, they will not give us information. We have tried to meet with those people to discuss cost of fleet management and so forth. As we reported to you, we do have benchmarks regarding the sale of our vehicles, the detailing of our vehicles before they are put up for sale, our auctioneering fees. We benchmark everything that we possibly can against the private sector. But until somebody will let Avis or those sorts of companies give us information, it is very difficult. And I must add, with a fleet of 14,000 vehicles covering everything from four-wheel drives to buses that are used up in North Queensland—

Mr SCHWARTEN: And the Ford Fiesta.

Mr Grierson: It is not a typical fleet that an Avis or somebody would have.

Mr SCHWARTEN: I have absolutely no doubt that it would compare very favourably with it. When Western Australia got out of its car fleet it soon bought back into it. It was losing millions upon millions of dollars of the government. That was privatised and they have gone back into it. I think every government in Australia in some shape or form, aside from the Commonwealth, I think—I do not know whether the Commonwealth still has them, but certainly in every other state they have gone back to getting their own fleets in some shape or form. We have stayed with our fleet and been able to manage it. Do you have anything more to say?

Mr Grierson: I could add that the SDPC review I mentioned before, the Service Delivery and Performance Commission review, was a full review into QFleet and the results of that review, which were tabled in parliament, indicated that QFleet is a very viable operation, that it does get value for money in the procurement process and in its lease management activities.

Mrs STUCKEY: Thank you. As we have stated that QFleet does benchmark itself against other state government fleets, I am wondering if the minister would be able to tell me how we compare, with our average sale disposal time of 57 days, with the other state fleets. A question on notice that I received back from you had that as your average disposal time. I am just wondering how it compares to the disposal times of other states.

Mr Grierson: My advice is that we perform favourably—as good as, if not better—to every state fleet in every category that we reviewed. I will have the 57 days checked and let you know if there is any difference to that, but my advice at this point in time is that on all categories we perform very well—as good as, if not better.

Mrs STUCKEY: Can I take it that you are prepared to supply me with the comparison of other states?

Mr SCHWARTEN: No problem at all—whatever we have got.

Mr Grierson: Well, I will have to check with the other states. I am not sure if—

Mrs STUCKEY: Thank you, I will accept that as a yes.

Mr Grierson: Well, it was not quite a yes. It was if the other states permit me to provide that information I will provide it. If they say no, it is their information; I could ask them to contact you to discuss it.

Mrs STUCKEY: Then your benchmarking is really not very thorough if you are saying you are benchmarking against other fleets because that certainly is a very important aspect of it—the sale disposal time. When you look at the private sector, that certainly has a much lower sale disposal time.

Mr SCHWARTEN: Who said that?

Mrs STUCKEY: The private sector have.

Mr SCHWARTEN: But who said that they do? Who is the private sector? Who said that they do? I have never been told that. Who is it? Ford or Holden? I think that is nonsense.

Mrs STUCKEY: Industry bodies.

Mr SCHWARTEN: Of course they would. If I ever have a racehorse I will call it 'Self Interest' because you know it is always trying. I have met with them plenty of times and obviously they would love to privatise this thing. I have got a good relationship with MTAQ. They have certainly never said that to me.

Mrs STUCKEY: The next question is on SDS 2-266. In 2008-09 there was a predicted budget loss of \$1.67 million on sales re-valuations on property, plant, equipment and investments but the estimated actual is \$6.89 million. What steps has the minister taken to avoid another 400 per cent blow-out in 2009-10—an estimated loss of \$4.18 million? That is 2-266.

Mr Grierson: That relates to loss on some sales of vehicles. These were vehicles that were purchased years ago and the residual values were set then and we expect that you would lose values as the economic climate has changed and the value for second-hand cars has reduced somewhat. I think that is what that figure refers to.

Mrs STUCKEY: That means no steps can be taken to avoid that?

Mr Grierson: The step that we have taken is that we have now entered into new procurement processes with the manufacturers to ensure that we are getting better value for money from them. We have taken steps where the government has given us the approval to now mandate the vehicles that agencies will receive. In the past an agency could say, 'I want a Ford Falcon—'

Mr SCHWARTEN: Red.

Mr Grierson: 'I want it red, green. I want it with these sorts of accessories' et cetera. Now we say to the directors-general of each department, 'You tell us what vehicles you need on a fit-for-purpose basis.' So, you tell us what the vehicles are to be used for and we will supply vehicles that will meet that requirement. The vehicle's colour will be determined by us, the vehicle's make and manufacture will be determined by us so that we get the best resale values on the vehicles that we have in the fleet. As the

minister answered in response to an earlier question regarding the environmental aspects, we are now only purchasing passenger vehicles with GVG ratings of 5.5 or better which means we are now able to sell to the public vehicles they want to buy because of the environmental issues that we can provide. For example, we are not now sitting with 100 or 200 V8s on our books which if we tried to sell to the public today we would not be able to sell. That is where it would be reflected in those sorts of losses.

Mrs STUCKEY: Thank you very much for that detailed answer. Non-government question No. 2, QBuild workplace health and safety. If training is only conducted biannually, how can the minister not only guarantee that all employees have an understanding of asbestos related risks but also the necessary training to identify, handle and safely remove materials containing asbestos?

Mr SCHWARTEN: If training is only delivered by what, sorry?

Mrs STUCKEY: Is only conducted biannually—every two years.

Mr SCHWARTEN: I have every confidence that QBuild has access to training on a wide range of things, including asbestos. I am confident of that. Is there somebody here who wants to—

Mr Smith: The biannual is a target set as being the absolute minimum. Certainly over the years we have done it a hell of a lot more than biannually. As a recent example, we have now purchased a DVD from Parsons Brinckerhoff which effectively goes through every stage of the asbestos removal process. That is not only available as a DVD at each one of the QBuild area offices but also is available online. So we have ramped up very quickly through technology the ability to be able to train online and also through that, with the work examples that are actually on that DVD, it turns from a set of words into very, very clear reality.

As I said, the process of biannual is the minimum. There is a whole lot of training that goes in underneath all of that. To be fair, in some cases there have been concerns about the ability in some regions, that they have not been up to speed. We have gone in there with our workplace health and safety people and toolbox talks and a whole range of training processes to bring them up to speed. We are very well supported by the unions in this. It is an area that we have great concern about and we take that duty of care very, very seriously.

Mr SCHWARTEN: At the end of the day it becomes the worker's responsibility. There are plenty of training opportunities. It is whether or not workers heed it. I have seen it recently in a private enterprise job I was driving past where they were disposing of fibro off the job and—

Mrs STUCKEY: At Caningeraba?

Mr SCHWARTEN: No, this was a private enterprise job in Rockhampton. These were private enterprise people removing fibro; carpenters who should know better. Most people do. Unfortunately they get lackadaisical about it. My father died with this disease. I know how serious it is, don't worry about that.

CHAIR: Back now to government members' questions. Member for Toowoomba North?

Mr SHINE: Minister, in the past the amount of construction material that has ended up as waste in landfill has been of concern. What steps are you taking to reverse that situation?

Mr SCHWARTEN: That is one of my pet subjects. Having grown up in a building household my father was very good at recycling. Half of our house was built out of it and half my own house when I constructed it was built out of recycled timber. I have here a prime example of what recycling can do. This started its life probably in a forest somewhere close to Brisbane in the 1800s. Then it would have been handsawn and taken down and become the Howard Smith Wharves. We sold it, had it demolished and a bloke called Michael Kennedy bought it and then we went and bought it back for Lang Park. These are the batons. As you go past Suncorp Stadium you will see that is the profile of them. I always have that on my desk to remind me of just how important it is that those resources can be reused time and time again.

Michael Kennedy, who has Kennedy's Recycling out at Narangba, is an excellent example of what you can do. A classic example is the use of ex-Energex poles at the Tree of Knowledge. I was out there one day and they had these 12 by 12s, I think they were, that were as straight as a gun barrel and he was selling them for 180 bucks a metre.

That is my pet issue. This goes a lot further than that. Right across the agencies what we are saying is that we expect recycling to occur. A recycling plan will be done by the agencies before a finger is lifted on that building, before anything is removed. Obviously you cannot recycle things like asbestos, but over here on the site of the demolition of the old Kangaroo Point TAFE it is up to 60 per cent I think is the figure.

Mr Smith: 60 per cent is the target.

Mr SCHWARTEN: It has gone over that. But we are starting from 40 per cent across all agencies. We want to start low, aim high. We see that as a small step in the giant steps to come. Each department will have to report in their annual reports on this stuff. It makes no sense to me at all to just continue to

go and fill up landfill. When we did Suncorp Stadium, for example, you saw them pulverise the concrete on site, pulverise the steel—take the steel off and recycle that. I was talking to a recycler over at TAFE recently who said that we recycled 95 per cent of it.

So it makes sense that we re-use products. The key to it is when you are building something make sure you use things that can be recycled. That is half the problem at the start. I am very confident that this recycling policy is something that will take off. We cannot expect the private sector to do it if we do not lead by example, and we intend to lead by example.

Mr SHINE: In answer to an advance question you listed a number of government buildings that come under the definition of 'special estates'. I note that most, if not all, are heritage listed. How do you ensure that these heritage buildings still have meaningful use in the community?

Mr SCHWARTEN: I think that is the challenge for any heritage building. The one that has eluded us until now, and we have spent about \$12.5 million on I think, is the old Exhibition Hall that most of us remember as the museum. But for the most part—if you go across the river here you will see the old police station at Woolloongabba, the old Gabba police station, which is now Sports House. It has been recycled and has a proper use. If you go down to the old printery down here, again another department is using it. The most recent and best example is old Government House up the road here. Recently I attended a function there. Part of the Q150 grant was a \$5 million project there. I invite members to have a look at it. I know the Leader of the Opposition was there on that occasion as well.

If you want to preserve heritage, in my view you have to find a use for the building. QUT will put that building to very, very good use. It will be available to the public. If you go up to Lady Bowen Hospital you will find that we have recycled that into a homelessness centre. Stage 2 of that is occurring now. I am not the housing minister anymore; we are the project manager that is overseeing it. That is another example of using a building that sat there dormant, the old Lady Bowen Hospital, for years apart from peppercorn rentals and so on. This morning we went out and had a look at the Thomas Dixon Centre where the ballet is. That is another example of a building that has been recycled. The Commissariat is the oldest building built by convicts just down the road in William Street where the Historical Society meets. You will find Denver Beanland lurking around there, because it is one of his passions.

Mr SHINE: An exhibit!

Mr SCHWARTEN: Lurking. All of those history people lurk, and Denver particularly lurketh. He does an excellent job in that regard and I was talking to him there the other day. Our challenge is to continue to find uses for heritage buildings and to preserve them, because if we do not do that you only have to look at what the Gabba Police Station is today compared to what it was. It had about two foot of pigeon excreta in the bottom of it when I first went there, and that is how they end up because governments cannot maintain them. We have spent \$12½ million on the Exhibition Hall at the Museum, and we are still trying to find a good use for it. It was built as an exhibition hall and various people have come up with great ideas, but they all cost a lot of money. We are yet to find it. It is the only one that has evaded me so far. We have plenty of others.

Mrs KIERNAN: Minister, page 2-232 of the Service Delivery Statement mentions the construction of government office buildings at several locations, one being Palm Island. What steps do you take to ensure local Indigenous involvement in projects such as this?

Mr SCHWARTEN: There are two of them. One of them opened last Friday at Palm Island which was adjacent to a building that was unfortunately burnt down a few years ago. I am told here that there are 16,000 hours of work by local Palm Islanders in that construction, and I was particularly taken with the artwork that has been done. It is so good we have prepared a booklet on it. What they have actually done into the timber bench of the court is put the design of a very famous Palm Islander, Alan Palm Island.

Mr Grierson: One of the traditional owners.

Mr SCHWARTEN: It is really truly a work of art how they have been able to integrate that into the design of the bench. In terms of the artwork on the outside, there was a little bit of graffiti on the first occasion apparently. There has been no more since. It has given ownership in that regard. Mal, you are the champion of Palm Island. I might congratulate you on the efforts you have put in there. One of the great things we have done as a government is to have champions in each of these communities, and Mal has now been the champion of Palm Island for a long period of time. You might want to comment a little further on it.

Mr Grierson: Thanks, Minister. Yes, as the minister said, we do try to include Indigenous communities in the construction process and, certainly more importantly than that, in the planning process for all of the buildings we construct in Indigenous communities. There is a government policy that says that we should endeavour to use 20 per cent of local labour in communities when we do build these buildings.

In the case of Palm Island, the contractors were taken across to the island. They looked at where they could set up a camp. They engaged Indigenous local folk to actually work in the camp doing the catering. We had apprentices. We have a team of QBuild people on the island. We have a depot of 14 people, and seven of the 14 are local Palm Islanders. We have an apprenticeship program where we have trained apprentices on Palm Island and in all of the communities.

So we look at the construction area and we look at any other area where we can have local employment. As the minister said, the highlight of these two buildings we have just opened on Palm Island is the artwork, which is outstanding. If anybody is in Cairns in August for the Indigenous art festival, go along and have a look at some of the Palm Island art. It is spectacular.

Mrs KIERNAN: Thank you, Mr Grierson. Minister, we all have huge expectations regarding the benefits to come from the rollout of the Australian government's national broadband network, particularly those of us in the bush. As the minister for ICT, what steps are you taking to advance our case for early delivery of the NBN here in Queensland?

Mr SCHWARTEN: And you have hit the nail on the head because first in, best dressed will really be the case, and nobody knows that better than the people in Mount Isa. I think one of the greatest decisions that has ever been made by any federal government was made by the Rudd government to provide the stimulus to allow an NBN company to set up in Australia. Clearly, nothing else was going to work. The previous government's flirtation with the Opel project went nowhere. It was really a case of having the federal government to build it.

We are in there boots and all, trying to get the NBN headquartered here in Queensland, and that is a fight we are prepared to have. We have certainly set up our own unit within the Department of Public Works, with assistance from other agencies, to really put our best foot forward there. But it is the mouse race for the rat-race as far as I am concerned in terms of the rollout of broadband into regional Queensland—into all of our electorates—which is absolutely paramount. I cannot understate it at all.

I recently had an example in Rockhampton. I do not know if any of you are aware of just how sophisticated Queensland Health's systems are, because we recently had an elderly person staying with us and she fell over and busted her head and ended up in the Rockhampton Base Hospital. I was advised that so sophisticated is the system that Queensland Health has it can be read in real time in London and in other places around the world, and that is the significance of broadband.

I lived in the bush, as you know, in McKinlay and I also lived in Mount Isa for a while. Just 30 years ago we had a wind-up phone. They had party lines and all the rest of it, and that was just 30 years ago. I went back to the same property and it now has a big flat-screen TV/computer dealing in real time internationally through satellite and the internet. We have to get ahead of that game. I am delighted that Stephen Conroy, who we have had a number of meetings with now, sees the rollout of the 10 per cent in the areas that you represent as being an urgent need to address.

In terms of the black spot program, the other day I was delighted that they talked about the rollout from Emerald to Longreach to cover part of that black spot. I understand there is more good news on the way, but it behoves all of us to make sure that Queensland gets its head in front of this, and it is my aim to do that. I am very heartened by the advice that I have received from Stephen Conroy that it will be run out simultaneously around Australia and that no one state will win. We want to be there.

Mrs KIERNAN: Thank you, Minister.

Mrs ATTWOOD: Minister, the Service Delivery Statement mentions the Technology Transformation Program. What does this program cover and what benefits would you expect to achieve?

Mr SCHWARTEN: Basically, what you are seeing is a continuation of the mandating of government services. It is as simple as that. I will get Mal Grierson to outline it even further for you.

Mr Grierson: Thanks, Minister. The situation we have right now is that there are multiple data centres existing throughout the CBD of Brisbane in all government agencies. The Technology Transformation Program is looking to get efficiencies by consolidating those data centres into our new data centre at Polaris and 317 Edward Street. So we will be combining the equipment that exists in departmental data centres into one data centre. That gives us efficiencies not only in the actual physical environment of multiple data centres as opposed to a single data centre but it also gives us the opportunity now to rationalise equipment and to introduce virtualisation, which basically means that instead of three agencies having a major computer server each which is using, say, 20 per cent to 25 per cent of its capacity we can combine those into larger pieces of equipment where the user does not need to know what computer his applications are running on, just that he has those services available. It is just like a utility such as electricity: when you flick the switch, you get the services you need; you do not need to know where it is coming from. That is the first thing.

The second thing this program will do is rationalise the networks. We have multiple networks throughout the government as applications have grown over time, both in fibre and in the old traditional networks. We will be rationalising those so that we will get better efficiencies and better use of the

capacity of those networks. We will decrease the carbon footprint by having less equipment and by having fewer data centres, because data centres are becoming one of those things that are very expensive in energy consumption.

We will improve our security in redundancy by having 317 Edward Street and Polaris operating as dual centres, with Polaris being a tier 3 data centre which means that it is extremely secure. On tier 4 you are into Defence type levels of security, so tier 3 is extremely secure. Having computers in both Polaris and 317 Edward Street that can be updated simultaneously means that if one data centre goes off the air because of a communications breakdown or some other problem the other system could stay up, which means that big agencies like Health and Police particularly keep their applications live. So the Technology Transformation Program will clear up a lot of our old applications, reduce the data centres, rationalise our networks and get us better utilisation of the expensive equipment we have.

Mrs ATTWOOD: And better sharing across departments?

Mr Grierson: My word.

Mr SHINE: Minister, I note that your Department of Public Works has remained relatively unchanged since the March 2009 election, other than the addition of Smart Service Queensland. How do the functions of this unit fit with your other ICT responsibilities?

Mr SCHWARTEN: They fit not only with ICT—and I thank you for the question—but right across what we actually do, and that is we are a service department to the rest of government. This is basically providing a portal to people out there who do not want to stand in line like my dad did and like I have done and like you have done; they want to be online, whether it is on a telephone line, on the internet, on a mobile phone or whatever other device it happens to be. As you rightly point out, this has only come over to me since the election. Just recently I visited and saw firsthand what good work it is doing. For example, a woman rang from Central Queensland wanting to change her CTP on her registration and they were able to do that over the phone and then transfer her call into the billing section of Queensland Transport. That is a highly efficient system that was totally seamless. People just have to ring and give their name and then immediately the records come up which showed that this woman had two cars and so the list went on.

Ms MacDonald: In terms of Smart Service Queensland, the quantum of service that it is providing to Queenslanders around the state is very significant. In the 2008-09 year around 5.4 million customer inquiries were taken through the web and the phone service. This is obviously an increasing area of activity. This is the way people want to do business, as we have indicated. It has also had a fairly key role to play in supporting a number of government campaigns, in particular emergency and disaster response.

Mr SCHWARTEN: In terms of the oil spill recently, all of the calls went straight into there. We have expert people there who can put question-and-answer solutions together.

Mr Grierson: If I could add, Minister, more importantly than the disaster was the enormous number of phone calls that Smart Service took for the H1N1 scare for the swine flu. There were an incredible number of members of the public who were wanting succinct information. The health department used our 13HEALTH number through Smart Service for that purpose.

CHAIR: Thank you. There is about 35 minutes remaining. Reflecting our generosity of spirit, we might have 20 minutes of non-government questions.

Mrs STUCKEY: Thank you very much, Mr Chairman. I refer to SDS 2-230 and the department's responsibility for the design, construction, fit-out and maintenance of government buildings. As the Speaker advised this morning, the Department of Public Works is responsible for the delivery of these. Can the minister confirm that the air-conditioning plant upgrades for this precinct comply with current and proposed green regulations for energy consumption?

Mr SCHWARTEN: The scope of the works is the replacement of two air-handling units and one new additional unit. These air-handling units are components of a multicomponent air-conditioning system. Units comply with the following (1) the electric motors meet the minimum energy performance standards required by the Building Code of Australia; (2) fan input shaft power complies with the BCA table J5.2; and (3) all panels are zero ozone depleting potential and zero global warming potential. Property Services prepared documentation, specifications and drawings for QBuild to tender and manage this project. On 6 April 2009, QBuild provided a lump sum price of \$178,051.50 including GST to Property Services, Parliament House. There has been no official acceptance for work to commence. The construction period is approximately 12 weeks.

It appears that there may be some confusion with the different energy performance standards or ratings that are being referenced in relation to residences and nonresidences—that is, office buildings, commercial buildings and so on. Under the Queensland government's ClimateSmart 2050 strategy, in 2007 the government expanded the energy efficiency standards to the commercial building sector, with a requirement of four-star standard equivalent for all new commercial buildings from 2010. This is a

rating of four stars out of five non-residential energy performance standard, not to be confused with the six stars out of 10 residential energy equivalent rating for new houses. So if that does not confuse you nothing will.

Mrs STUCKEY: Is that a yes that the upgrades will comply?

Mr Grierson: There is confusion regarding these energy ratings. The equipment does conform with all of the codes for energy efficiency. There is no code six for commercial office buildings. That is the problem. The question that was asked this morning related to six-star energy efficiency. A six-star energy efficiency does not exist for commercial office buildings.

Mr SCHWARTEN: That is residential.

Mr Grierson: That is residential. If we are talking about the performance of particular pieces of equipment, then the energy efficiency of the building has to take into account more than just the piece of equipment—namely, the air-conditioning unit—in a commercial sense. It is not like going along to Dick Smith or The Good Guys and buying a fridge or something that has stars on it. When you are talking about commercial air-conditioning units of this capacity, the whole building performance has to be taken into consideration, and we do have a four-star mandatory requirement for all of our refurbishments of office buildings.

Mr SCHWARTEN: But there has been no official acceptance of the work to commence at this stage.

Mrs STUCKEY: With reference to the Service Delivery Statement and note 1 on page 2-272, the IDES program was approved by executive government back in 2007. What is the reason for the delay in the IDES project and what steps have been taken in order to attempt to deliver this project as soon as possible?

Mr SCHWARTEN: I will hand that one to Mal.

Mr Grierson: I will start on this but it will depend on how much detail you wish to go to. The IDES project is a project to implement standard email authentication, email security and a whole range of other elements to do with the email services. The problem we have right now in the government is that every agency has set up its own email operations and if you move, as I did last year, from 80 George Street to the Executive Building—a matter of 20 paces—you have to be on a different email service.

Mrs STUCKEY: It is crazy.

Mr Grierson: You are correct; it is crazy. That is what the IDES project is all about. The IDES project will also save us over a 10-year period we suspect—we do not suspect; we know—in excess of \$100 million. We have been out to tender. It is a very complex system. The tenders have been evaluated. I think we are almost complete and we will be awarding the tender within the next four to six weeks. We waited until the agency consolidation occurred because there has been a move, as you know, from 23 agencies down to 13. To roll out the implementation of this, we needed to make sure that we had synergy with the new structures of government. The election in March of course delayed tendering because we were in a caretaker mode. So that caused some delays. Now with the new restructure of the departments we are certainly pushing ahead. The first department that will be going into a pilot will be the Department of Public Works, commencing in August.

Mrs STUCKEY: Continuing with IDES—and I do understand it is complex; however, it is critical as far as your whole-of-government and consolidation attempts are concerned—what development funds have been specifically allocated to CITEC and the QGCTO to implement the required whole-of-government infrastructures to support any government consolidation measures?

Mr SCHWARTEN: Loan funding of \$45 million was approved to fund the IDES implementation activities which will be repaid by the ninth year of the 10-year business plan.

Mrs STUCKEY: Specifically, can I ask for funding that has been allocated to CITEC and the QGCTO?

Mr Grierson: That is the funding.

Mrs STUCKEY: That is specifically for them?

Mr Grierson: That is the funding that specifically has been allocated. The IDES project is being run at CITEC within the realms of the CTO. You mentioned other consolidation though. That is why I am hesitating. The technology transformation program that the minister just asked me to comment on also is a consolidation program or project to consolidate data centres and networks and so forth. Do we have a figure for that? I can give you that in a second. But that also has been allocated for consolidation. The figure is \$44 million—\$20.7 million has been appropriated funding from Treasury and \$23.3 million has been debt funding. The technology transformation project, as I mentioned in answering Ms Attwood's question before, will provide savings. So we have borrowed \$23 million knowing that we will be able to repay that through the savings we achieve through the procurement reform. If we are talking consolidation in addition to IDES, that is additional money.

Mrs STUCKEY: Thank you for that. I refer to SDS page 2-272 and the one-off dividend payment from CSI Holdings Pty Ltd. Now that the Bligh government has flagged that CITEC will cease all private sector and Commonwealth contracts by 2011, what steps will the minister take to address commercial shortcomings now that he will no longer have CSI Holdings to use to prop up CITEC's bottom line in future years?

Mr Grierson: We can bring forward the executive manager of CITEC to get into details. CSI Holdings is no longer required. It was a vehicle that was put in place when CITEC was part owner of some products with the private sector. The government has made a decision—

Mr SCHWARTEN: From the SDPC report.

Mr Grierson:—from the SDPC report, that CITEC will move more out of non-government business and concentrate on providing services to government agencies. There are, however, contractual obligations that CITEC must honour, and the government has instructed CITEC that we will not get out of those contracts. We will serve those contracts out. There may be some contracts in fact with non-Queensland government departments that we do continue. An example is the department of foreign affairs, where we are looking at their passport operations which we currently run. They are talking to us about whether we would continue to provide those services for them. CSI Holdings was simply a vehicle by which we could be a partner with the private sector in some of that work. It is no longer required because we will not be entering into any more new private sector work.

Mrs STUCKEY: With reference to SDS page 2-305 and the Building Services Authority, the BSA suffered a \$22.135 million turnaround in 2008-09 that placed it in deficit and forecast a \$2 million loss in 2009-10. What steps has the minister taken to prevent a repeat of last year's disastrous performance to ensure that the BSA will not miss its target by \$22 million?

Mr SCHWARTEN: I will invite the general manager of the BSA, Mr Jennings, to come to the table.

Mr Jennings: Given the activity in the industry, as the minister touched upon in his opening address, activity is down which has brought insurance premiums down. We have investments and our investment return is down as well. Roughly, we had about a 35 per cent decrease in premiums. To address that issue we are trying to reduce admin costs going forward, which is about trying to deliver programs which are fully beneficial to the industry to make sure that we do not record those losses.

You have to remember that the BSA runs an insurance scheme—the Home Warranty Insurance Scheme. That scheme is set up at times to take losses. It is an insurance scheme. We ultimately rely upon four reinsurers. Those four reinsurers require some return, but the scheme is run sometimes with regard to fully enforcing that all liabilities are funded but at times will wear losses because it is an insurance scheme. So I have no concerns with the insurance scheme. It is currently running at a profit. The loss ratios are returned, as required by the reinsurers. I forecast that going forward that will continue. It is really just a dip in the activity that has occurred in the building industry. The national stimulus package which the minister talked about will help the industry and I hope the industry will then start booming in a few years time.

Mrs STUCKEY: With reference to SDS page 2-302 and the BSA again, under 'Recent achievements' I note that a large number of educational seminars were held throughout Queensland, and the minister has referred to these in the parliament. What was the total cost to the department of these training sessions and how much in fees was collected from attendees?

Mr SCHWARTEN: There are no fees charged for people to attend. It is a service that I think the BSA is providing very well. The seminars have been very well attended around the state. At a time when the industry is taking some pretty big whacks, we have to make sure that builders, as licensees, have access to the best information around. I have attended a number of these seminars and they have included presentations about financial management and certain types of contract management. They have certainly offered advice on a whole range of issues. I attended one the other day and an alarming statistic that I was not aware of was the high rate of suicide in the building industry, especially amongst apprentices. Even branching into that area, I think the level of support that the BSA is providing out there is unparalleled. It is very much needed and very much appreciated. I have no idea what the cost of it is, but I think as the state does not put any money into it—it is all licensees' money—it is a way of supporting that industry and supporting those licensees. Ian, did you want to add to that?

Mr Jennings: We are a regulator and being a regulator we do not charge fees with regard to our training, in particular because the licensees do pay a licensing fee for their licence which provides some education I believe. These programs, particularly the education programs, were delivered jointly by a number of organisations. We got some money from the training fund to deliver them as well—that is the Building and Construction Industry Training Fund. We supplemented it and we worked with, as the minister touched upon, an organisation that deals with suicide as well which touches our industry. With regard to our media campaign, it was approximately \$297,000 in advertising and marketing in relation to the issue, but it was fully subsidised by the funds that came through the training fund. So they broke even with regard to the cost versus other services provided.

Mrs STUCKEY: So there is not an overall cost?

Mr Jennings: There was an overall cost but it was balanced out by the funds provided by the training fund that supplemented the education. It is an organisation that collects money from the industry. The CSQ, Construction Skills Queensland, provided some funds to us which assisted with regard to delivering the training.

Mr SCHWARTEN: I can personally attest to the fact that these are very welcome, especially the one on the Gold Coast. It was a huge one that we had there. I met a lot of those builders who were concerned about the future who were delighted to have the one-on-one sessions talking to people about managing their business. I think it is a legitimate thing for the BSA to be doing at a time when builders are doing it tough.

As Ian said, part of its job is to regulate to make sure that the cowboys are kept out of the industry. That is always a challenge, but it also has an educative role to assist licensees in continuing their training and development. You can always tell in an area if the building industry is going well because they are not always that well attended. Two committee members are from the Gold Coast, and they would know how tough builders are doing it down there. We had a really big attendance at that one there.

I am a great supporter of these programs being rolled out. They are not run on an electorate basis; they are all over the state. The BSA is an apolitical organisation. I think Ian Jennings does a damn fine job of making sure that he will follow up on the issues raised by any member of parliament who contacts him. I have to say on record that I am pretty disappointed with the member for Burnett for his antics up there in attacking Ian, but we will leave that to the CMC, which he has reported him to. I have every confidence in Ian Jennings, and I think he has done a damn fine job in a very difficult role.

Mrs STUCKEY: I refer to page 1-12 of the Capital Statement and QBuild. There is a figure of \$26.828 million for business systems. I wonder whether the minister would provide an itemised breakdown of this proposed expenditure, outlining the systems and services it provides and what steps have been taken to confirm they cannot be provided by the Shared Service Agency. I am happy to take this on notice if the figures are too—

Mr SCHWARTEN: No, that is all right. He will be able to answer it.

Mr Smith: The vast majority of that would be in the capital upgrade of the Mincom system. I have not got the figures in front of me. It was page 1-12, was it?

Mrs STUCKEY: Yes.

Mr Smith: Virtually all of that would be the upgrade of the Ellipse system. The enterprise system for QBuild is a Mincom product, which is a Queensland company. They have had a Mincom system now for about 20 years. Ellipse, which is the next generation of the Mincom systems, is now being implemented within QBuild.

The total external cost—and I am not going year by year—to Mincom is in the order of about \$10 million. In addition to that, there are internal costs in the implementation. They would be the figures that are in the Capital Statement. That goes live in November 2009. The expected benefits of that are that the system will then be completely accessed through the net.

There will be an enormous amount of improvement in the productivity capability of QBuild inasmuch as it will have resource management capability, which is to manage the resources. There will also be mobile data communication capability, which means that the tradesmen in the vans will be able to communicate through hand-held devices and they will be deployed using that method. So a lot of investment has been made in that area by QBuild through this Ellipse system. As to the other parts of it, obviously it has the finance module and it has a human resource module. It really comes as a complete package.

Mrs STUCKEY: I was asking if it could be itemised.

Mr Grierson: We have a contract with Mincom—the computer company that is supplying this—for a certain amount of money, which is the money you are talking about there, which is a total estimated cost of \$26.828 million. It will deliver this package which has all of those functions in it. It does not itemise that 'the financial bit is this amount, the HR bit is this amount, the mobile telephone is this', because it is an enterprise system—in the same way as we do not itemise SAP, the financial system. It comes as a complete enterprise system which it delivers with all of that functionality for that price.

CHAIR: That is the end of non-government questions and brings to an end the examination of expenditure of the estimates for the portfolio of the Minister for Public Works and Information and Communication Technology. I thank the minister and his advisers. This also brings to a conclusion this committee's deliberations, and I may make some very quick remarks.

On behalf of the committee, I thank all of the ministerial staff and all of the departmental officers who have worked as part of Estimates Committee A. We have been meeting throughout the day and have considered a number of portfolios. I know that there are many departmental officers who work long hours and into weekends to help prepare for this process. I thank them all for their contribution.

I thank my fellow committee members—both government members and non-government members. I think it is a reflection of the strength of our system of government that we can come together as a committee and work through complex issues and examine things like budgets with a fair degree of rigour and do it in a very positive way, working together on this.

Mr SCHWARTEN: And do so civilly, I might add.

CHAIR: In a very civil way. I thank my government and non-government colleagues.

I also thank our Hansard reporters for working through the long day today recording the pearls of wisdom that we have all had the opportunity to record in *Hansard*. I particularly thank Rob and Alastair from the committee section, the research director for this committee and his assistant. The committee section of this parliament does an enormous amount of work in preparing us for these tasks, in undertaking our research for us and in supporting the committees of the parliament. We could not do our job for the people of Queensland without them.

Mr SCHWARTEN: If I may respond, I would like to thank all of the members of the committee and the supporting staff who have given us this opportunity today. I always look forward to these for a number of reasons, not the least of which is that it engages the department most appropriately in gathering information that sometimes comes up to me as a surprise when I find it at this time of the year. I think that is shared by most of the senior personnel in the department. I like to see it as a bit of a spring clean. Mal and I were talking about it yesterday. I think we do that and genuinely try to answer questions as best we can because we have respect for this process and this parliament in doing so.

I thank all the departmental people. I know that a lot of time is expended on this stuff. It is certainly a very costly exercise to go through. If you added up the amount of money that is expended in departmental time putting this together, you really would not want to know the cost. But it is a very important role that this department and every other department answers to this parliament via this system. Again, I thank you for your courtesy in the way we have been treated. Again, I thank all the staff members for the work that they have put in here today.

Committee adjourned at 6.47 pm