

## WEDNESDAY, 17 JULY 2013

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### ESTIMATES—STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE—STATE DEVELOPMENT, INFRASTRUCTURE AND PLANNING

#### Estimate Committee Members

Mr DF Gibson (Chair)  
Mr TS Mulherin  
Mr MJ Hart  
Mr BC Young  
Mr R Katter  
Mr SA Holswich  
Ms KN Millard

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#### In Attendance

Hon. JW Seeney, Deputy Premier and Minister for State Development, Infrastructure and Planning

Mr R Molhoek, Assistant Minister for Planning Reform

#### **Department of State Development, Infrastructure and Planning**

Mr D Edwards, Director-General

Mr B Broe, Coordinator-General

Mr G Chemello, Deputy Director-General, Planning

Mr M McKee, Chief Finance Officer, Strategy and Governance

#### **GasFields Commission**

Mr John Cotter, Chairman

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#### Committee met at 8.58 am

 **CHAIR:** Good morning, everyone, and welcome to this estimates hearing. I am David Gibson, the member for Gympie and the chair of the committee. Mr Tim Mulherin, the member for Mackay, is the deputy chair. The other committee members are Mr Michael Hart, the member for Burleigh; Mr Seath Holswich, the member for Pine Rivers; Mr Rob Katter, the member for Mount Isa; Ms Kerry Millard, the member for Sandgate; and Mr Bruce Young, the member for Keppel. We have also given leave for other members to participate in the hearing today, and I welcome Ms Jackie Trad, the member for South Brisbane. I believe at some stage throughout the day we will have the member for Rockhampton, Mr Bill Byrne, and the Leader of the Opposition, Ms Anastacia Palaszczuk.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2013 within its portfolio responsibilities contained in schedule 6 of the standing rules and orders. The first item for consideration is the proposed expenditure for the organisational units within the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning. On behalf of the committee, I welcome the Deputy Premier, departmental officers and members of the public to the hearing today.

The committee will suspend proceedings for the following breaks: from 11 am to 11.15 am, from 12.45 pm to 2 pm and from 4.30 pm to 4.45 pm. I remind all visitors that any person admitted to the hearing may be excluded by order of the committee under the standing rules and orders of the Legislative Assembly. In relation to media coverage, the committee has resolved to allow television

coverage and photography during the hearing. We have also agreed to the live broadcast of the hearing via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. The draft *Hansard* transcript will be published online usually within two hours of the completion of the portfolio hearing. I ask that mobile phones and other electronic devices be turned off or switched to silent mode. I ask departmental officers to identify themselves when they first come forward to answer a question that the minister refers to them so that Hansard is able to record their name.

I now declare the proposed expenditure for the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Deputy Premier, if you wish you may make an opening statement.

**Mr SEENEY:** Thank you, Mr Chairman, and thank you to the members of the committee. Since we last appeared before the estimates committee, the Department of State Development, Infrastructure and Planning has continued to focus on creating opportunity and prosperity and building business resilience in Queensland. Today during these hearings I will be releasing the government's economic framework called *Governing for growth*. It is about enabling a stronger Queensland economy. It is not just another one of those government documents; it represents a wholesale change in approach that identifies where our government can set the right conditions for business to flourish and to drive economic growth.

In the weeks and months ahead, ministers will be developing detailed plans to turn this strategy into action. All agencies are in the process of carrying out a top-to-bottom review of all regulations—old regulations and new regulations—to remove the ones that hurt economic growth and to speed up those that can boost that growth. So far we have set in train over 300 reforms and actions that will support improved productivity. Our aim is to supercharge the Queensland economy, and we are determined to do that for the benefit of all Queenslanders. We want to supercharge the Queensland economy like never before.

In the 16 months since taking government, we have seen an unprecedented 166 statutory decisions on major projects by Queensland Coordinator-General Barry Broe, who is here today. That rate is nearly three times higher than that of the previous administration, which in an equivalent period of time dealt with 61 major projects—61 compared to 166.

The resources sector, of course, is a key driver of economic growth across our state, and we are working with industry to ensure it can expand and operate as efficiently as possible. Our Resources Cabinet Committee is delivering practical actions and reforms to cut red tape in areas such as environmental offsets, assessment processes, social impact management plans and legislative anomalies. We will talk quite a lot today about the Resources Cabinet Committee, because it has been one of the great successes of our government.

Just one initiative of this committee—the Fitzroy Basin mine water release program—would add hundreds of millions of dollars to the economy as mines are brought back into full production. Likewise, the GasFields Commission is working with CSG companies, landholders and communities across Queensland to resolve issues as the industry expands and provides significant economic benefits. The chair of the GasFields Commission, John Cotter, is here today. I hope we get a chance to talk about the work of the GasFields Commission because it, too, has been one of the major successes of our government.

To ensure that the resources and agricultural sectors can co-exist, we have developed regional plans for the Darling Downs and Central Queensland—a promise we made from opposition. They are just part of a widespread planning revamp underway to reduce the costs of doing business. In fact, the wide-ranging reforms to the entire planning system I think are the biggest planning reform in Queensland's history. We are changing the planning legislation. We are changing the planning policies. We are changing the planning processes and the restrictive and negative attitudes that have controlled planning in Queensland. Instead, we will achieve a positive, enabling system to encourage development and assist investment. We are on the verge of having a new state planning policy and next year a new planning act. At the centre of our planning reforms is the launch of the State Assessment and Referral Agency, commonly known as SARA, which makes my department the single point for state assessment of development applications, meaning approvals will be much more straightforward.

Another key action this year has been the formation of Economic Development Queensland. EDQ has a strategic planning function and will work closely with local governments to plan and develop land within priority development areas. We also intend to boost economic activity and drive development by freeing up government land. The Government Land and Asset Management Group is carrying out a state-wide audit of government land holdings to determine what is surplus, what is underutilised and what can be better used for the benefit of the people who own it—the people of Queensland. All of these issues I think are worthy of consideration before this committee today.

Another key outcome this year has been support for regional communities with our Royalties for the Regions program. Six regional councils received funding under round 1—the pilot round—and round 2 is now open for regional councils. I hope the committee can have an opportunity to hear about some of these issues today and I hope I have an opportunity to respond to some questions. Unfortunately, in the parliament I do not get an opportunity to respond to many questions. In fact, one of my staff did a calculation and on the 30-odd days that the parliament has sat since the last estimates committee hearing there have been 231 questions asked by the opposition in the parliament but only one asked of me. I hope that I get more than one question today. I hope that the opposition can ask me more than one question. I sit in parliament day after day waiting for questions from the opposition. So I hope that today they can ask me some questions about some of these major reforms because, seriously, they are major reforms. The reform agenda that my department has driven in the 18 months we have been in government needs to be noted and it needs to be examined. I am happy for that examination to occur before the committee today.

**CHAIR:** I can promise you that for the next four hours you have a lot of questions coming. Let us kick off with the member for Mackay.

**Mr MULHERIN:** Deputy Premier, I refer to page 4 of the SDS and the consultation process on the government precinct redevelopment. Deputy Premier, why was no consultation undertaken on the construction of 1 William Street, considering the importance you ascribe to this project?

**Mr SEENEY:** The consultation process for the government precinct is just beginning. The construction of the government precinct—we have plenty of time; I think that is the key point to make about the government precinct. 1 William Street was the first piece in the puzzle of developing this significant part of the Brisbane CBD. I can go through the process with you if you like. It was 29 May 2012 that the Premier announced the government's plans to redevelop the government precinct, which is that area of significant government owned land bounded by George Street, the Brisbane River, Alice and Queen streets. Development of this precinct will be a once-in-a-generation opportunity for the people of Brisbane, and 1 William Street was the first step in that process.

The project has been framed to attract investment to Queensland and benefit the community. This includes significant employment opportunities, new and renewed public spaces and buildings, greater access to and the use of heritage buildings on the riverbank, and a financial return. The precinct has the potential to increase Brisbane's presence on the world stage as an emerging new-world city with broad-ranging benefits for Queensland to attract visitors and investors from around the world. It is important to note that no decisions have been reached regarding the precinct's redevelopment outcomes. The government has commenced extensive consultation to develop a shared vision for including outcomes for public spaces and heritage buildings.

The government is exploring a range of different redevelopment options in consultation with community groups, stakeholders, industry representatives and market experts. Options include whether or not a casino should be included in the redevelopment, and of course there has been a deal of public comment about that. Community consultation includes an online survey that can be found on my department's website, 'talk to the team' events running throughout July in the Brisbane CBD and the establishment of a community reference group. Community consultation is expected to wind up in September and it is part of defining the project—defining what we want to see on the government precinct.

To ensure the precinct development is successful and viable in the current market, an independent precinct advisory committee has been formed to provide expert advice from extensive experience in the property, finance, development and design sectors of the market. It is expected that an expression of interest process will commence before the end of the year and it will be informed by the extensive consultation undertaken within the community, property, industry, council and other key stakeholders.

That is what we are proposing in regard to the government precinct. I have said from the very beginning: it is important that the people of Brisbane are involved in the decision making and have an opportunity to have an input. The construction of 1 William Street is underway. It is now a rapidly deepening hole in the ground, but it is the first piece; it is the enabler. Once 1 William Street becomes a reality, it enables the development of that significant part of the Brisbane CBD.

**Mr MULHERIN:** Deputy Premier, you said in your response it is a once-in-a-generation opportunity for Brisbane. One would have thought you would go through an extensive consultation process about the whole precinct before you even started the construction of 1 William Street. 1 William Street is coming out of the ground; now you are consulting on the rest of the precinct. Aren't you limiting the opportunities of this historic precinct by pre-empting good consultation around what is the best outcome for this land?

**Mr SEENEY:** Mr Chairman, as I just finished explaining, 1 William Street is the enabler. The construction of 1 William Street on a site that has sat idle for 30-odd years now—

**Mr MULHERIN:** What do you mean by 'enabler', Deputy Premier?

**Mr SEENEY:** It enables the development of a significant part of the CBD of Brisbane, and that is a once-in-a-generation opportunity. We were able to get 1 William Street underway for that sized project in a relatively short period of time. That has a number of positive benefits. It will provide a thousand jobs for construction workers in a construction market that badly needs that boost, but, more importantly, it will enable all of these other decisions to be made about the rest of the government precinct.

Until we could provide the opportunity to move people from the buildings that currently occupy the government precinct, there really were no decisions to be made. We have enabled that to happen now and there is an extensive consultation process that involves people at many levels. It is not just consultation with the general public; there has already been extensive consultation with the development industry. Obviously the casino licence issue has been the subject of some public discussion. Yesterday I had a meeting with people involved in that, and I have another meeting later in the week. Those things are all starting to happen as we go through what will be a long process.

1 William Street is not planned to be completed until 2016, I think it is. So we have an appropriate planning horizon to ensure we go through it. It is a very extensive consultation period. We have put a lot of thought into how the development of the government precinct relates to the existing Brisbane CBD, the mall and Brisbane Square, how it deals with the heritage buildings that are on the site, how it interrelates with Parliament House and the parliamentary precinct—that is very important—and how it interrelates with the river. There are a whole lot of issues that need to be thought through before we even begin to carry out any development, and all that process is beginning to happen now.

**Mr MULHERIN:** Deputy Premier, I acknowledge that you have announced limited public consultation around the government precinct redevelopment with street corner focus groups within the Brisbane CBD over a three-week period. Can you tell me when detailed consultation will take place in relation to the casino development in Brisbane? Will there be detailed consultation?

**Mr SEENEY:** I just repeat the point I made before. No decisions have been made yet with regard to the development of the government precinct, and that includes decisions around a casino. There have been no decisions made. Whether or not—

**Mr MULHERIN:** Are you going to have any consultation around that?

**Mr SEENEY:** There have been no decisions taken as to whether or not there will be a casino. In fact, that is the very purpose of the consultation that is happening at the moment and it is happening, as I said, at a whole range of different levels. It is happening with the general public; people from our department are standing in the mall, standing on the street corner, accepting opinions from people. We have a website. We have a whole professionally planned consultation process that is about engaging anyone from the general public who wants to have an input. We are also engaging with the industry groups, with the professionals. As I indicated, we are engaging with the entities who may well be interested in making the considerable capital investments that would be required. We are doing that at this stage of the process, from now until September, as a project design process. At the end of that I think will be a point where decisions will need to be made about the casino issue. That possibly, I would suggest, cannot be made in isolation; it will need to be made as part of a policy approach to the casino issue right across the state. However, that decision is still some way down the track after we have gone through this consultation process.

The consultation process will not end there. Once the initial project design period has passed and we get a concept that is agreed upon—and it will be defined fairly well for an expression of interest process—then there will be continuing public consultation about how that concept develops from there. There is no doubt, as you would all expect, that a range of opinions will be expressed, and that is the way that it should be and we would expect it to be. There will be a range of opinions expressed and we will endeavour to ensure that everybody who wants to have an input into that process has every opportunity to do so. I would invite the member for Mackay and any other member on the committee to not just be part of that process themselves but ensure that their constituents or the interest groups with which they are associated are part of that process. If there are any issues that seem to be constraining that, then I invite members to advise me of that and we will rectify them, I can assure you.

**Mr MULHERIN:** Is this street corner consultation process to get opinions from Queenslanders the consultation you are going to have around the casino issue?

**Mr SEENEY:** No, that is just one very small part of a professionally designed consultation process—

**Mr MULHERIN:** So who is doing this consultation process?

**Mr SEENEY:**—one very small part of a consultation process that, as I have indicated, is happening at a whole range of different levels. It is about determining just what sort of a development Brisbane wants for this extensive part of the CBD. There will be a range of opinions and everyone needs an opportunity to express their opinion. It is about designing the concept and deciding, first of all, just how big the development is going to be. There is a number of options with regard to the area of land, the footprint. There is a number of options as to which pieces of land are going to be part of the development and which pieces of land are not. Of course, there is a number of options with regard to the land use controls that we put around the development. There is a number of options with regard to the intensity of the land use. All of those things are part of this initial consideration. We certainly are going to give everybody an opportunity to have their contribution to that process. It is not just, as the member would seek to imply, about consulting people on listening posts on street corners; it is happening at a whole range of different levels. The website is available to everybody who has access to the web. Certainly the industry groups, the broader construction industry and, as I said, the interests in the casino industry themselves are all involved in a discussion about the possibilities. The government will consider that and then we will refine that down to a concept about which we will then again consult the people of Brisbane.

**Mr MULHERIN:** So this process will determine whether we will have a one casino town policy or a two or more casinos town policy; is that right?

**Mr SEENEY:** The government will need to make a decision about that. I think your question is right to that extent. The government will need to make a decision about that before we go to the next stage in the process. The consultation process that is happening now that I have just described extensively will certainly be used to inform the government in that decision-making process. I have said a number of times—and I think the Premier has said, too—that the casino operators have no need to be taking shots at each other in the public, in the media, as we have seen. We will engage them in a professional way. It is very important that there is a probity process built around that and we are doing a lot of work to ensure that there will be a probity structure built around that from the very early stages of the process.

I emphasise again that we are very much at the beginning of what will be a long process. We are very much at the very beginning of a very long process because nothing is possible until 1 William Street is completed, and that will be 2016 at the earliest. It is an extensive planning horizon. It gives us plenty of time to go through what I believe is a necessary process to consider all of those issues not just what the people of Brisbane want to see happen but also what the consequences are around that decision about the casino licensing situation. There is a whole range of commercial issues there that we need to understand. It is not just the impact on other casinos but also the impact on other businesses in Brisbane and in Queensland. There is also the extent to which we can compete on the international market, to make Brisbane a part of the international market for that sector of the travel market. There is a whole range of people who are beginning to think about those issues now.

**CHAIR:** We will move to the member for Mount Isa.

**Mr KATTER:** I refer to Budget Paper No. 3 at page 101. It makes reference to \$61 million in regional community, infrastructure, roads and flood plain security projects through the Royalties for the Regions program. With the inclusion of all regional councils in this program, can the Deputy Premier demonstrate that adequate funds can reach those parts of Queensland that critically rely on reinvigorating infrastructure despite being away from those larger population bases?

**Mr SEENEY:** I thank the member for Mount Isa for his question. Like me, he comes from regional Queensland and I can very much sympathise with the question that he asks. I would probably agree with him that there will never be adequate funds to properly address the infrastructure issues in regional Queensland. What I have been determined to do since we first won government is to make sure that there was a process in place. Given the horrific financial situation that we inherited from the previous government, getting extra funding for the badly needed infrastructure in regional Queensland, or getting extra funding for infrastructure anywhere, was a next to impossible challenge, especially in these first few years of trying to turn around the financial situation that we inherited. I was very determined from day 1 that we would put in place a conduit, a process, a scheme, that recognised the need to invest in regional Queensland. In doing that, I was very conscious of the fact that the amounts of money that were available were pitifully small compared to the demand that the member for Mount Isa and I—and I suspect the member for Mackay—understand very well. The amounts of money that were available to us were but a fraction, a tiny fraction, of what we need in regional Queensland. But it was important that the Royalties for the Regions program was in place from day 1. If we had not got it in place from day 1 there would never have been a right time.

My challenge now is, first of all, to make the Royalties for the Regions program work well and the pilot round that we undertook in the first year instructed us on that, and I will talk more about that later. The challenge is, first of all, to make the Royalties for the Regions program work as it should, but the biggest challenge of course is to get a significant amount of money directed to that program. It will only be then that we will be able to address the infrastructure backlog that the member and I both understand exists in a very critical way right across regional Queensland. The first priority of course is the recovery of the state's financial position—that horrific financial position that we inherited, and I heard the Treasurer talk extensively about that yesterday. That is a huge ongoing challenge for the government. As we get that under control I can assure the member for Mount Isa and people in regional Queensland that while I remain in a senior position in the government, regional Queensland issues are going to be a priority. I come from regional Queensland. My whole life has been about representing regional Queensland. I understand the challenges of ensuring that regional Queensland issues are recognised in amongst the other priorities that exist in South-East Queensland. While I remain in a senior position in the government I will be striving to ensure that those regional Queensland issues are addressed. It is about ensuring that there is sufficient money allocated.

In terms of the Royalties for the Regions program itself, we went through a pilot round and there was a small number of councils that were eligible. I announced just a couple of weeks ago in Townsville that we would expand that to all of the shires outside of South-East Queensland for the coming year and applications are now open for councils to apply for what is a very limited amount of funding available. I look forward to the day when we are able to increase that amount of money and ensure that a lot more councils in regional Queensland are able to access the Royalties for the Regions program. It will, of course, be focused on areas that are struggling to deal with the development of the resources industry, and that was certainly the case in the pilot round, in the first round. Some of the projects that were funded in the first round were about funding core community infrastructure—sewerage and water infrastructure and things like that that communities need to operate. We will certainly be working with all regional members—and I would like the member for Mount Isa to be part of that—to identify projects that can be funded under the Royalties for the Regions program and to continue to put the case as strongly as we possibly can that regional Queensland has a critical need for this sort of funding and it has to be a priority in upcoming budgets as the state's economy recovers.

**Mr KATTER:** I refer to a similar section in Budget Paper No. 3. Looking through the major capital expenditure items I notice an absence of any funding for strategic dams. Following the federal opposition signalling their intention to create dams in North Queensland, which are very welcome, that will undoubtedly require partnership with the state government. Would you like to comment on why there is no funding for any feasibility investigations for any of these initiatives? Are there any plans to investigate that?

**Mr SEENEY:** I thank the member for Mount Isa for the question. We are certainly supportive of the development of further water infrastructure. We are certainly supportive of the development of a number of projects that have been talked about for a long time. It is, as the member for Mount Isa

would know, increasingly difficult to get the approvals that are required for the construction of that sort of water infrastructure. I think the member for Mackay would probably be able to talk at length about the difficulties that the former government had with the Nathan Dam, for example, and the Connors River Dam in getting the approvals that are necessary.

It is something that I think certainly needs to change, and I think there is a something of a change of attitude. Hopefully, there will be a change of attitude at the federal government level. We have seen a lot of Mr Rudd, the Prime Minister, in Central and North Queensland in recent days, but in amongst all of the nonsense that he has carried on with I have not seen any real commitment to the development of the sort of infrastructure that is required for the further development of regional Queensland and North Queensland in particular.

Our government certainly supports the federal coalition in statements that they make about developing North Queensland and regional Queensland. We certainly support the development of water infrastructure. As the minister for agriculture will no doubt tell the Estimates Committee when he appears, we have made a commitment to double agricultural production by 2040 in Queensland, and an important part of that will be the development of the enabling infrastructure that is necessary. I know the Premier spent a number of days in Cape York and in northern Queensland. He met with a number of organisations, entities and groups who are looking at developing major water infrastructure in that area on some of the river systems there, and the Premier is personally very supportive of that. He has made it clear to me as the Minister for State Development, Infrastructure and Planning that we need to make every effort to facilitate that development, and we will certainly be doing that. Likewise, we are continuing to work on projects like the Nathan Dam in my own electorate and the difficulties that surround the approvals process there. Those projects are to some extent about further agricultural development, but to a greater extent they are about enabling the resources industry to continue to grow and to make the contributions that they do to the Queensland economy.

The point to make about this infrastructure, as the previous government found out with the water crisis in South-East Queensland, is that you have to start planning and construction a long time before the need arises. No matter how you go about it, there is a long, long lead time in the construction of this major infrastructure, and we have to expedite that planning and approvals process. The whole approvals process is something that the federal government and the new Prime Minister need to address. In Kevin Rudd's visit to Central Queensland and North Queensland over recent days, we have not heard anything from him about that. I have written to him about it. I have sought assurances from him that these approvals processes are going to be reconsidered. I have certainly spoken to the alternative government at a federal level, and I have received commitments from them. We will continue to try and ensure that this sort of infrastructure can be planned in plenty of time to ensure that it is there when the need arises.

**CHAIR:** Member for South Brisbane, would you like to ask a question?

**Ms TRAD:** Deputy Premier, I refer to page 5 of the SDS and the stated intention under the highlights for 2013-14 financial year to expand the pilot program to release contaminated mine water into the Fitzroy River Basin. Can you please advise the committee how many additional mines will be included in the expanded pilot scheme?

**Mr SEENEY:** This is an issue that I have addressed extensively in parliament and it is an issue that the member for Mackay asked me the single question about, and I was grateful for that. It is something that we put in place using the Resources Cabinet Committee, which, as I said at the beginning, has been one of the successes of our government. Part of the success of the Resources Cabinet Committee is its inclusion of interest groups and people involved in the resources industry who sit at the cabinet table and make submissions.

In relation to the Central Queensland coalmine water issue, in response to the significant economic impacts of legacy mine water in Central Queensland coalmines, the Queensland government has delivered a successful pilot mine water release program over the 2012-13 wet season. The pilot applied to four coalmines located in the Isaac River catchment; however, other coalmines in the Fitzroy Basin also released mine affected water consistent with the conditions of their environmental authorities. Over the last wet season, the pilot mines had four release opportunities, and they have released 8.5 gigalitres since late January. The total volume released from all Fitzroy Basin mines this year is approximately 26 gigalitres, which is equivalent to less than 0.3 per cent of the total water flow past Rockhampton. The total amount of water released from mines right throughout the Fitzroy Basin—which is a very, very large area of Queensland—represented 0.3 per cent of the total water flow past Rockhampton.

Independent water quality monitoring was routinely undertaken to ensure the protection of ecosystem health, water quality for stock irrigation and domestic use. Consistent with our expectations, there was some short-term localised variations in water quality. Those effects related to the period of release and were only in close proximity to release points. The majority of metal samples across the catchment were well below relevant water quality guidelines, and no petroleum hydrocarbons were detected. The mine water release pilot was independently reviewed by expert hydrologists from Gilbert and Sutherland. This report and all of the water quality monitoring results have been made available to the public. I repeatedly made the commitment in parliament that all of the information would be made available on our website in a readily accessible form so that everyone could access it.

The results have shown that the pilot mine water release program's conditions successfully increased the release of excess mine water whilst maintaining water quality. Two of the pilot mines were the only mines in the Fitzroy Basin that significantly reduced their legacy water over the season. Given the success of the pilot mine water release program over the 2012-13 wet season, the Queensland government will be expanding the initiative this coming wet season to assist coalmines to return to full production in a well-managed, scientific and appropriately regulated approach. The pilot program has demonstrated that even minor amendments to environmental authorities can free up release opportunities whilst still maintaining protections for the environment and other water users.

The pilot program was about gathering data and understanding impacts, which was why the monitoring was so comprehensive. Using the information that we have gathered, an expanded pilot mine water release program will comprise a range of common-sense changes to the coalmines' environmental authorities. The government intends to ensure that the mines have implemented appropriate water management plans and have made investments to ensure that future water capture is in balance with water needs. I made that point very strongly to the mining companies. It is not just about us doing the work that we are doing in designing the release strategies. It is a requirement of their participation in the program that they have done everything in their power through their mine management plans to reduce the amount of water that is captured in mines and therefore has to be released. It is a program that is demanding an investment from the companies themselves.

The 2012-13 coalmine water release pilot has shown that for most mines the current regulatory environment will not allow them to reduce legacy water from past wet seasons. Without government action the water in mines will continue to accumulate and the quality will deteriorate, and that too is an important issue which is quite often overlooked. The longer the water stays there, the bigger the problem becomes; not just for mine production, but in terms of water quality. It is in the interests of all Queenslanders that coalmines efficiently reduce legacy mine water. It impacts not only on the companies, but also on royalty revenues to the state, regional employment and economic development.

I think we have had some success in overcoming some of the sometimes well intentioned concern. I recognise that people who live along river systems certainly have a very understandable concern about the release of mine water. The only way to address those concerns is to ensure that scientific data is available and that everything we do is measured, monitored and is available so that people can understand that and also to reduce the opportunity for people to run scare campaigns and unsubstantiated claims about the effects. I think the pilot program was all about understanding those effects and ensuring that the impacts at the key receptors that we identified were both well understood, accurately measured and restricted to a level where they did not impact on the sensitive receptor. The most extensive of those sensitive receptors was the water supply at Rockhampton, and I think anyone who looks at the information that is available from the pilot release will see that there was no impact at all.

**Ms TRAD:** Thank you, Deputy Premier, for that very long and comprehensive answer, but you have still not answered my question. How many more mines will be added to the pilot mine water release program? How many more mines is the government considering adding to the pilot mine water release program?

**Mr SEENEY:** Eventually the mine water release program will apply to all mines in the system. We are looking at designing a whole-of-system process—

**Ms TRAD:** The next tranche, Deputy Premier?

**Mr SEENEY:** The whole-of-system process will be about managing the river system in a way that protects water quality, water users and the environment right throughout the system. I have said a number of times that this is not new. This is something for which there are precedents. There are

river management systems like this in a number of places around the world. There are some good examples where these sorts of river management programs have been put in place in New South Wales.

The answer to the member's question is that the government is aiming to ensure that all mines within the system are able to participate in a management system that will protect the river environment and ensure that they can continue to operate. We will expand the pilot progressively as the scientific data that is available builds up. We will advance the pilot program progressively as we find that this information has not been available up until now. There have been mines since I was a kid—and that is a fair while ago—that the mining industry has developed in the Fitzroy-Dawson Basin and subsequent areas. The great failing, of course, is that this scientific data has not been accumulated from day one. To some extent, we are playing a lot of catch-up. We are doing a lot of monitoring to establish a scientific database which really should have been there before now. Had it been there, we probably would have avoided the build-up of mine water to the extent which was the case when we came to government.

The other point which I need to emphasise is one that I made before. We are requiring the mining companies themselves with each individual mine to do everything possible in their mining operation to restrict the amount of water that is captured and therefore needs to be released. Until they do that, they will not be added to the program. As the program develops, as the information base builds up, as the data that is accumulated is proven and confidence is able to grow in the data that is available, and as the mines themselves change their management practices to ensure that they are able to minimise the amount of water, the numbers will grow.

**Ms TRAD:** So, Deputy Premier, how long before the pilot program becomes fully participating—so every coalmine in Central Queensland—and how many more mines will be added in the next phase of the pilot program?

**Mr MULHERIN:** The short answer!

**Mr SEENEY:** The government will proceed as slowly as it needs to. As I have indicated, it is very much dependent on accumulating the scientific data, on building up the information base that is necessary, to enable not just us but the community and the stakeholders that are involved to have a very high level of confidence in the release strategies. That will take as long as it needs to take. I can give you the example that in New South Wales—

**Ms TRAD:** You are saying you are going to expand it by the next wet season.

**CHAIR:** Member for South Brisbane!

**Mr SEENEY:** In New South Wales it took seven years from the start in another particular instance where this type of program was developed. It was seven years from start to fully developed program. That may well be an indication of the sorts of time frames that we are looking at, but it will depend very much on the extent to which confidence can grow in the data sets and the scientific information base that we are building.

**CHAIR:** Thank you, Deputy Premier. We will now move to the member for Sandgate.

**Ms MILLARD:** Deputy Premier, what approach is the Queensland government taking to create economic growth over the next decade?

**Mr SEENEY:** I thank the member for Sandgate for the question. The Newman government is unashamedly pro growth. We were elected on a platform of driving economic growth, and indeed that has been the focus of our department. It is only through increased economic growth that we will be able to provide sustained jobs and prosperity for Queenslanders and address the legacy of debt that the government inherited, and that debt has been well and truly recognised I think by all Queenslanders. The government acknowledges that the private sector is the engine of economic growth and job creation. However, the government shapes the Queensland economy with its decisions every day. The Newman government is therefore committed to providing the leadership and certainty in decision making that gives industry the confidence to invest. The government is also making determined efforts to cut red tape and to reduce costs on industry to ensure Queensland remains competitive and businesses can thrive.

The Commission of Audit demonstrated the urgent need for strong and decisive action to restore productivity and economic growth to Queensland. The Commission of Audit set out a number of critical roles for government in the economy which include setting the legal and institutional framework in which the private sector operates, as an employer and purchaser of goods and services, through the efficient and effective uses of its revenue to build physical and human capital, and to

correct market failures. In response to the findings of the Commission of Audit, my department has developed a whole-of-government economic framework for Queensland titled *Governing for Growth*. I table today a document which is the first stage of the *Governing for Growth* process. With your permission, I would seek leave to table that document.

**CHAIR:** Is leave granted? Yes, leave is granted.

**Mr SEENEY:** *Governing for Growth* will build upon the analysis presented in the Commission of Audit final report and the significant pro growth reforms we have already implemented in areas such as planning, regulation and major project approvals. *Governing for Growth* identifies six priority areas for reform requiring focused government action to better support economic growth in the state. Those six priority areas are, one, simplifying business regulation; two, minimising impediments to business growth; three, fostering economic growth and resilience; four, enabling infrastructure for economic growth; five, driving productivity growth in the public sector; and, six, communicating the importance of economic development to the community. This framework identifies practical actions against each of these priorities to help foster economic growth across the state.

We have already delivered a number of key actions against these priority areas, including establishing the Office of Best Practice Regulation to reduce regulatory burden by 20 per cent. We have fast-tracked major projects approvals—that is, 145 approvals as at April 2013, with a decision rate 3.25 times greater than the previous 12-month period. We have established Economic Development Queensland to facilitate economic development through land and development areas. We have implemented planning reform, including state planning policy and the State Assessment and Referral Agency, SARA, that I spoke about earlier, to aid the planning process and aim to facilitate economic development. We have developed and released Queensland's agricultural strategy to double agricultural production by 2040. We have established the \$15,000 Great Start Grant to drive growth in Queensland's residential construction market. We have developed the *DestinationQ* blueprint for 2012 to 2015 which outlines the key actions for government and the tourism industry over the next three years.

We have devised the Bruce Highway Action Plan which sets out a detailed program of works to improve the capacity and safety of the highway over the next 10 years. We have instigated some commitments from the federal government and some commitments from the alternative federal government which we might get a chance to talk about later today but which are very pleasing to those of us who have driven the Bruce Highway Action Plan from opposition and into government. We have also established Infrastructure Queensland with public and private sector leaders to advise on infrastructure issues. We have developed and released the Galilee Basin infrastructure framework which sets out a clear policy of coordinated development of infrastructure in the Galilee Basin. We have established the Government Land and Asset Management unit, GLAM—everything in government has an acronym—to drive and better use government assets. We have made a commitment to pay bills to small business within 30 days, backed up by a new late payments policy which would seem to be a basic requirement for a responsible state government but certainly was not the case under the previous government. We have developed a more detailed plan for action which will be developed to further drive economic growth over the next decade. This action plan will be informed by consultation, including with industry and the community, and will support the long-term vision set out through the Queensland Plan, which so many Queenslanders are involved in.

Actions will include those that remove constraints to growth as well as those that actively promote growth. So, in a lot of cases, it is about identifying and removing constraints—constraints that have been built up over so many years of Labor government. The framework will focus on actions to reduce the costs of doing business and reduce the cost of regulation through regulatory reform not only in the four pillars of the economy that we have spoken so much about but across the broader economy. We simply want to boost economic opportunities for all Queenslanders and boost productivity through all industry through reforms in the way that infrastructure is planned, prioritised, funded and used. We want to assist businesses to innovate and help business access new and expanding markets and help them to seize the economic growth opportunities in the regions of Queensland in particular, because the Queensland economy will always be driven by the economies of those particular regions. *Governing for Growth* is the first step in that process. It will ensure that all government agencies play their role in enabling economic growth, that economic growth will become a key consideration for all government agencies and all government decisions and that we restore Queensland to the No. 1 state in the nation in which to start or to grow a business and that people from other states see our state as a destination for them—an opportunity for them—to establish or to grow their businesses.

**Mr YOUNG:** I come from the seat of Keppel and we have a large workforce that commutes throughout the Bowen Basin. I understand that we have seen a bit of a downturn in the coal industry. I am interested to hear what your department is doing to fast-track the Galilee Basin.

**Mr SEENEY:** I thank the member for Keppel for the question. Indeed, the Galilee Basin is a key focus for our government because we recognise the importance of its development for the future of the Queensland economy and for the next generation of Queensland workers. The jobs that can be provided by the development of the Galilee Basin will be critically important. The government certainly recognises the value of developing the basin as a significant coalmining, processing and export base to create a long-term economic prosperity for Queensland. International demand for thermal coal is forecast to grow steadily and as a result commercial interest has been shown in developing the vast coal resources of the Galilee Basin with GVK Hancock, Adani, Waratah Coal, AMCI/Bandanna and others all progressing projects in the region. The government is examining ways it can actively support the development of necessary infrastructure to support development in the Galilee Basin. As such, it has developed the Galilee Basin infrastructure framework to ensure development of the basin occurs in a strategic, timely and coordinated way.

My department has developed the Galilee Basin infrastructure framework with the key objective being to provide certainty for project proponents, the agricultural sector and communities in the Galilee Basin by outlining the government's policy on the coordinated approach to the development of rail, road, water, port and power infrastructure. This approach is paying off, I believe, with industry already moving to initiate the development of key infrastructure related to ports, rail and the transmission of electricity. As an example, to facilitate the development of the necessary rail infrastructure, the government announced in June 2012 its preference for two common rail corridors. The government continues to play an active role in facilitating the development of the necessary rail infrastructure from the Galilee Basin to Queensland coal export ports, but of course the situation has changed with the changes in the world economy that the member for Keppel referred to. Progress, though, is being made on the south-to-north corridor linking the southern Galilee Basin to the port of Abbot Point and the west-to-east corridor linking the northern Galilee Basin to the port of Abbot Point and the port of Hay Point.

To support achievement of these outcomes, the government will consider the use of a range of state government legislative mechanisms to acquire land for infrastructure corridors that meet the government's policy intentions and the objective of developing the coal resources of the Galilee Basin. An important consideration for the government is to ensure that none of the proponents are constrained, that the first mover is able to take advantage of being the first mover. In determining the provision of rail infrastructure in the Galilee Basin, the goal of the government policy is to avoid delaying any proponent that is able to take commercial advantage of being able to enter the market. In return, the government would expect shared use and open access arrangements to be a defining feature of any future infrastructure development.

It is important, as I was saying before, that the Prime Minister makes some commitment from the federal level about support for the development of the Galilee Basin. It was disappointing yesterday that when the Prime Minister, Kevin Rudd, was in Central Queensland and in North Queensland he spent so much time shaking hands and kissing babies but he never made any commitments at all to the key infrastructure developments that are necessary for Queensland's future and Australia's future. It proves to me that Kevin Rudd is a fraud. He is a fraud. He has absolutely no understanding of these key—

**CHAIR:** Thank you, Deputy Premier.

**Mr SEENEY:**—infrastructure issues—no commitment at all from a Prime Minister of the country to support the development of these sorts of projects which will be critical to not just the Queensland economy but to the Australian economy in years to come. The whole approvals process at a federal level has been constraining, has been hopelessly complex, for the proponents who are trying to develop the Galilee Basin. We well remember the nonsense—the political nonsense—that was played by the former environment minister Tony Burke in relation to the approval around the Alpha coalmine. That sort of political nonsense is repeated over and over and over again and it discourages the type of investment that our state needs and that Australia needs to guarantee jobs for Queenslanders, jobs for Australians and the economic growth that is needed in the future.

**CHAIR:** Thank you, Deputy Premier. We will move to the member for Burleigh.

**Mr HART:** Deputy Premier, I wanted to speak about economic development in Queensland for a minute. Can you outline for us how Economic Development Queensland is helping to boost the Queensland economy? Would you be able to give us some examples of the sorts of projects that Economic Development Queensland has been involved in?

**Mr SEENEY:** I thank the member for Burleigh. I am very pleased to talk about Economic Development Queensland, because I think Economic Development Queensland has been a great initiative. EDQ will be recognised in years to come as a tremendous opportunity for a state government to drive the state economy. Economic Development Queensland is a commercialised business unit. It has been established within the Department of State Development, Infrastructure and Planning to assist me as the minister in undertaking the functions identified in the Economic Development Act. The main purpose of Economic Development Queensland is to facilitate economic development and the development for community purposes in the state.

EDQ equips the government with the necessary tools to foster economic development through planning solutions in declared priority development areas—PDAs—as well as dealing in land throughout the state. I can advise members of the committee that the Economic Development Act 2012 took effect on 1 February 2013 and on the same day the Parklands priority development area was declared. That was the first PDA to be declared. It was declared under the act to facilitate the delivery of the Commonwealth Games village.

On 16 May, I announced an intention to declare another new PDA in Redlands at Toondah Harbour, with the proposed second PDA in Weinam Creek, announced on 30 May. Currently consisting of ferry terminals and associated car parking to service North Stradbroke Island and the bay islands, the declarations will be the first step in transforming these areas into vibrant mixed use residential tourism and retail precincts. This will include dedicated ferry terminals, public open space and, in the case of Toondah Harbour, the potential for a private berth development. Another PDA at Blackwater East will provide additional opportunities for families to live where they work.

Formal declaration of these areas occurred in June. The Economic Development Board meets monthly to review the activities of Economic Development Queensland and in particular to consider potential priority development areas. The Economic Development Board is made up of five of the most senior public servants in the Queensland government. Discussions are currently underway with a number of local governments around further potential priority development areas. The planning and development of these potential priority development areas will be undertaken with the active participation of local government.

There has been a huge demand from local councils for PDA declarations. It has been quite surprising to us the number of councils that have come forward with particular planning challenges, with particular development challenges, that they think can be addressed using the PDA mechanism. We have certainly built a process around assessing each of those proposals for the declaration of PDAs and we are working closely with local councils to look at each of the particular challenges that they are bringing forward and deciding whether or not the declaration of a PDA is the most appropriate mechanism to address that particular challenge or whether the challenge can be met using other planning mechanisms.

It has been very gratifying I think to me and to my senior planners the enthusiasm with which local government has embraced the EDQ with the opportunities that are offered by the priority development area declarations. It is something that is still very new, being in place for less than a year, but something that will deliver huge economic benefits for Queensland. Those opportunities are already becoming apparent to a wide range of local authorities across Queensland.

**Mr HART:** Deputy Premier, before EDQ we had the Urban Land Development Authority. Can you explain the difference between the two of those for us?

**Mr SEENEY:** I thank the member for Burleigh for his supplementary question. The ULDA—the Urban Land Development Authority—was, if you like, the forerunner of EDQ.

**Mr MULHERIN:** It worked pretty well.

**Mr SEENEY:** It was combined with a group within the department that had developed industrial land for quite some years and has now become a unit that is focused on economic development. The former government focused its ULDA on other things. There were a number of different opinions. I guess to be as charitable as I can to the former government, it was focused on, in their words, providing affordable housing. Some people would have it that it was focused more on social engineering. But whatever it was focused on, it certainly did not work in cooperation with local

governments. Local governments everywhere were outraged by the activities of the ULDA and the very clear message to us was that that method of operating—of overriding local government planning processes, of overriding local government authority—was not acceptable and could not be continued.

In setting up EDQ, we have not just changed its focus; we have broadened its focus so that it continues to focus on housing development in the Blackwater example that I just spoke about, for instance. That is very much focused on addressing housing issues. It is also focused on driving economic development and the examples that I indicated at Redlands are very much about developing economic development opportunities. So it is more broadly focused. But more importantly, it is very determinedly about working in conjunction with local governments, working in cooperation with local governments, allowing local governments to decide where these declarations need to be and responding to their needs—allowing them to be involved at whatever level is appropriate for the particular circumstance in both designing the development plan and administering that development plan. That is a very real and a very key difference and it is the reason, I think, there has been such enthusiasm for priority development areas—for PDAs—from local governments where there was such resentment previously from local governments to the former government's UDAs, which was the declaration that existed under the ULDA.

So there is a chalk-and-cheese difference in the way that EDQ operates from the way the ULDA operated. I think we have been able to retain a great deal of expertise, a great deal of capacity that the ULDA had accumulated—some very talented people with a great deal of capacity—and we have been able to retain that. We have been able to focus that more broadly in line with the government's economic growth imperative and we have been able to ensure that those talents and that capacity can be used to drive the government's economic development imperative in a way that achieves cooperation in support from local government rather than the resentment and the resistance that was formerly there.

**Mr HOLSWICH:** Deputy Premier, can you please outline what the government is hoping to achieve with the newly established Government Land and Asset Management Group and the importance of that group to Queensland?

**Mr SEENEY:** I thank the member for Pine Rivers for the question. I spoke about the Government Land and Asset Management unit in my opening statement. It has become known as GLAM, which is a rather strange acronym, I guess.

**CHAIR:** It is becoming familiar, Deputy Premier.

**Mr SEENEY:** Exactly. It is becoming familiar. The Government Land and Asset Management Group has been given a very important task. The government has recognised the need for stronger central management of land and property for a more strategic approach to optimising land and property use and for refocusing underutilised land assets. The rationalisation of assets as recommended by the Queensland Commission of Audit at recommendation 46 was consistent with the current initiatives and policy direction, including the establishment of the Government Land and Asset Management Group within my department. Established with a direct reporting relationship to the Economic Development Board and, therefore, a direct line to me as Minister for Economic Development Queensland, Government Land and Asset Management will play a key role in progressing this agenda. Government Land and Asset Management's key objective is to ensure that real property based assets are identified, assessed and are managed to their full potential for the benefit of the people of Queensland.

The group is currently undertaking a property asset utilisation review, which is investigating a whole-of-government approach to management of the state's property portfolio. With input from government agencies and the private sector, the review will provide its recommendations to the Economic Development Board in November 2013. Government Land and Asset Management aims to facilitate accelerated budget outcomes through the testing of early advice from the property asset utilisation review and the group's ability to address systemic issues through the Economic Development Board.

We are taking steps to look at the underused land we have on the state's balance sheet, potentially worth billions of dollars, and work out how it can best be utilised. Many parcels of government land could be better utilised for the not-for-profit sector or for social housing organisations to improve social capital and make lives better for Queenslanders. We are progressing moves in that direction. Other parcels could be better used by the private sector to unlock them for development for a range of uses aimed at enhancing economic development in particular communities, in regions and

across the state. In addition, Government Land and Asset Management will continue the implementation of the Mary Valley Economic Development Strategy and lead the delivery of significant and complex transactions on behalf of the Queensland government.

Ultimately, Government Land and Asset Management, through its various activities, will promote systemic and cultural change, fixing the system to avoid being in the same position in the future and thinking differently about the government's real property use into the future. It is a very different approach from what was undertaken by the previous government. The previous government, on the figures available to me, sold some \$56 million in surplus land between 2008 and 2012. So over a period of four years, they sold \$56 million worth of surplus land, but there is no evidence that there was any strategy behind the disposal of that land. There is no evidence that there was any thought given as to how that land could be best used for economic development purposes or community development purposes. It appears to me to have been just a straight-out sell for cash.

What we are undertaking is a world of difference. Our strategy is looking at each land asset in each community, in each region and determining what is its best use for the people of Queensland, what would give the people of Queensland the greatest benefit. That may well be in some cases a sale of that piece of land, but it is not the default option, as it was for the previous government. Our approach—the approach that GLAM is taking—is about using the land asset that the people of Queensland own to drive economic development, to build social capital and to provide benefits to all Queenslanders in their communities, in their regions. I think that there are enormous opportunities in communities right across Queensland. I have been to so many regional communities, for example, where there are pieces of government land that local community groups and local councils say to me, 'It would be great if we could do this with that land and it would develop our community. It would boost our community.' Up until now, it has been impossible for those communities and those councils to progress that. GLAM and the work that it is undertaking will make all of those things possible. It will drive economic development and it will provide opportunities for not-for-profit organisations to improve their operations and build the social capital for the benefit of all Queenslanders.

**CHAIR:** Thank you.

**Mr MULHERIN:** Further to our discussions regarding casinos, why are you already running a de facto unsolicited proposal process for a casino development in Brisbane when the O'Farrell Liberal government has been widely criticised for just the same process in relation to the Barangaroo development in Sydney?

**Mr SEENEY:** I thank the member for Mackay for the question. I can only repeat the answers that I gave earlier. The government has made no decisions at all about the development of the government precinct. We have made no decisions at all about any change to—

**Mr MULHERIN:** But you are discussing it with two operators at the moment.

**Mr SEENEY:**—the current situation surrounding the casinos in Queensland. As indicated to the member for Mackay previously, there is no doubt that those decisions lie ahead. In considering those decisions, we are undertaking a process around the government precinct that is about—

**Mr MULHERIN:** Would you not make the decision first before you have discussions?

**CHAIR:** Member for Mackay, you will allow the Deputy Premier to answer the question.

**Mr SEENEY:** It is about seeking input from a whole range of people. I can repeat the answer again. We are in the very early stages of a long process, but the early stage of the process is about designing the process. It is about designing the project. It is about deciding what the redevelopment of the precinct is going to look like.

Whether or not there is a casino there is an essential part of that question. We are certainly talking to a whole range of people about that. Of course we would talk to the casino operators about that—whether or not that site lends itself to that; what the issues are that need to be addressed if we were to progress the development of that site centred around a casino development. All of the issues that the member referred to previously need to be fully understood before the government can take a decision about that. That is part of the consultation process that a whole range of other people are also involved in. I can direct the member to the answer that I gave previously.

**Mr MULHERIN:** On ABC Radio on Monday you said, 'There is a system of probity around the whole negotiations.' Deputy Premier, has an independent probity adviser been appointed to oversee discussions on the new casino licence in Brisbane? If not, why not and when will a probity adviser be appointed?

**Mr SEENEY:** The probity adviser issue is certainly being considered by the government and it is part of designing that probity process should we need it.

**Mr MULHERIN:** So you haven't appointed one yet?

**Mr SEENEY:** Because I repeat again, Mr Chairman, for the benefit of the member for Mackay, that no decisions have been made at this stage. We are going through a consultation process with the people of Brisbane which I find surprising that the member for Mackay would not support. We are going through a consultation process leading up to a decision about whether we proceed to make any changes to the situation with casinos. Of course, and I have said publicly, and I suspect the quote that the member is using is part of what I said publicly, the first thing that would need to be done if the government made such a decision would be a probity process that would need to be in place before that consideration was advanced at all. It is important, as I made the point a number of times this morning, to understand that we are at the very beginning of a long process. The first steps in that process are deciding what sort of development the people of Brisbane want for the government precinct. Whether or not a change to the way casinos operate in Queensland is triggered by the development of the government precinct will be part of that question which we are asking the people of Queensland. I can assure the member for Mackay and through you, Mr Chairman, and your committee I can assure the people of Queensland, that if we are to consider the issue of casino licences, the very first thing—the very first thing—that will be done will be the development of a probity process that will withstand any scrutiny, that will be about absolute integrity. And we have already instigated some discussions about how that might be done in preparation for the decision making process that is ahead that I have indicated. We have certainly looked at the process in New South Wales and I have had some informal discussions with some colleagues of mine in the New South Wales government about that process as part of trying to understand the sorts of things that we will need to do if we make a decision.

**Mr MULHERIN:** Is that the Premier and the Deputy Premier of New South Wales?

**Mr SEENEY:** I say again for the benefit of the committee and to make absolutely sure that everybody understands, that no decisions have been made. We are talking to the people of Brisbane, we are talking to the people of Queensland, we are talking to all stakeholders about what sort of development may be appropriate for the government precinct.

**Mr MULHERIN:** Deputy Premier, on 9 July it was reported that you had written to executives at Crown and Echo to invite them to a formal meeting.

**Mr SEENEY:** Yes.

**Mr MULHERIN:** Do you think it is appropriate, at a time when you haven't made a decision around whether it be a one casino town or a two casino town, you haven't appointed a probity officer, do you think this is the right approach—to have discussions with an existing casino operator and one that wants to get into the Brisbane market, and especially around media reports about conversations that occurred on a yacht about carving up the territory: Packer telling Echo 'You give us an easy run in Sydney and we'll stay out of the Brisbane market.' Do you think that you should be having discussions with these operators when you haven't made a decision yet on whether we are going to be a one casino town or a two casino town and that one would think, for the protection of you and your government and your public servants, that you would have a probity officer in place.

**CHAIR:** The way in which you have worded that question, member for Mackay, seeks an expression of an opinion. Could you recast that question?

**Mr MULHERIN:** Premier, do you think it is appropriate, at a time when each proponent is yet to submit a submission, and you haven't sought probity advice, that you would meet with the two proponents?

**Mr SEENEY:** Thank you, Mr Chairman. I thank the member for Mackay for his question. I certainly will refrain from commenting about the long commentary that he offered in conjunction with his question. Can I say that I believe that it is entirely appropriate for me and for my department at all levels to be consulting with everybody who has an interest in the development of the government precinct, and I have said that a number of times this morning. That consultation is happening at whole range of levels, from people who live in Brisbane who are just ordinary citizens, through to the construction industry, through to the casino operators that are the subject of the member's question. As the member would be well aware, there was a deal of media comment about this particular issue. Both I and the Premier said that that sort of media comment was probably unnecessary, but it is for other people to make their own decisions, but we were happy to have initial discussions or provide

those entities with an opportunity to be part of the consultation process that I have described in some detail this morning. I had the first of those meetings yesterday. I was accompanied by a range of officers from my department. I was accompanied firstly by my parliamentary colleagues the Treasurer and the Attorney-General. So there were three senior ministers involved. We were accompanied by a range of officers from our departments. It was very much a preliminary meeting about what sort of development would be possible, what sort of development would be appropriate for the government precinct, which is part of the consultation process that I have outlined at some length. I can assure the member once again that if a decision is taken to vary the operation of casinos in Queensland, and if a decision is taken, then the first thing that we will do is to build a probity process around the assessment of what I am sure will be a large field of contenders who will seek to be part of that change. Whether there will be any change, what that change will be and the extent to which it will be attractive to any particular players are all decisions that will be made in the future.

**Mr MULHERIN:** Deputy Premier, you mentioned that there might be other players that might be interested if there is a change of policy. On 9 July it was reported that you had written to both Crown and Echo inviting them to a formal meeting. If there are other players out there in the marketplace why not postpone this meeting until all the players are known and then they can all be dealt with equitably.

**Mr SEENEY:** Mr Chairman, I thank the member for Mackay for his question. We are certainly talking to a range of people about the development of the government precinct in the Brisbane CBD, not just casino operators. I have had discussions with people who are proposing other uses.

**Mr MULHERIN:** Like what?

**Mr SEENEY:** It is not just those two players. But even in the consideration of any issue around casinos the government is happy to have similar very preliminary discussions with anyone else who has an input into how the government precinct might be redeveloped. But if we decide to vary the way casinos operate in Queensland, the formal process will involve a level of probity that will have absolute credibility. I can only repeat the same answer that I have given a number of times, Mr Chairman.

**CHAIR:** I think we have exhausted this. I might move on to the member for Mount Isa.

**Mr KATTER:** Thank you, Mr Chair. Mr Deputy Premier, I refer to budget paper 3, program highlights. I note the absence of any contribution towards the transmission line but that there is significant federal funding towards it. This would appear to be one of the second most significant infrastructure projects standing between significant development of our state—proposing to connect the North West Minerals Province with the national electricity grid, the only economy on the east coast that is not connected to the national electricity grid. Is there any intention of the government to look at this project which could possibly facilitate the development of some 10 mining operations?

**Mr SEENEY:** Could I just confirm with the member for Mount Isa, are you asking about the CopperString proposal, are you?

**Mr KATTER:** It was called the CopperString proposal, yes. The transmission line to link North West Minerals Province with Townsville and the national electricity grid.

**CHAIR:** Can you confirm whether that is your portfolio area?

**Mr SEENEY:** It would be in terms of infrastructure development, yes. I am happy to answer it. The CopperString proposal was considered, I think it is fair to say, by the previous government. The proponents that were involved in it certainly haven't been to see me and our government has not had any involvement in it. As I understand it, the project was judged to be not viable by the proponents that were involved. That doesn't I think completely negate the member's question because the desirability of establishing a connection from the current transmission grid to the North West Minerals Province is something that has been talked about for a long time and in terms of state development is well understood as being a piece of infrastructure that would make a big contribution to the state economy and it would be great if we could establish that connection. But it obviously produces an enormous challenge to connect the North West Minerals Province to the existing electricity grid. Whether or not that would produce cheaper electricity in the North West Minerals Province than other options is something that a lot of opinions are expressed about. The other options that are considered, of course, are things like the transmission of gas in a pipeline to the north-west from a number of different options. There is a gas pipeline there now, as the member would know. But whether or not there needs to be a larger gas supply to allow electricity to be generated locally, whether or not that is a better option than trying to generate electricity through the mouth of the mine,

coal fired power stations in Central Queensland, and transmit that electricity across the distances to the North West Minerals Province are all issues that have been the subject of some discussion for a long time. Certainly in North Queensland these issues are discussed by people who are interested in the economic development of those regions.

So it is, too, with the development of a power station in North Queensland, which I know the member for Mackay and I have discussed over a number of years. The establishment of a baseload power station in North Queensland is often discussed as an alternative to the long transmission distances that currently exist, but it all comes down to the economics and what is the best alternative to transmit energy. Whether energy is best transmitted as electricity through a transmission system, as it currently is to North Queensland, or whether it is best transmitted by some other option—the gas pipeline option that allows electricity to be generated locally—is an issue that I am sure the member for Mount Isa will continue to be involved in, given his electorate and the importance of the issue to his electorate. Certainly I am happy to discuss that with him personally and for him to discuss that with officers in my department of state development who are very familiar with all of these issues.

**Mr KATTER:** To follow up on that, I appreciate that it does fall on to other portfolios, but it is a significant project and that is why I raised it. I think its benefits are firmly established. Probably its immediate commerciality is questionable in the current market. I guess what I am after is the government's attitude towards supporting it as an aspirational project without committing financially. It is the concept of embarking on those sorts of projects from a development sense; that is the sort of support we are seeking. Are you generally supportive of a development such as that—that, on the face of it, is not commercial in the current market but presents strong development opportunities?

**Mr SEENEY:** I can assure the member for Mount Isa that we are certainly supportive of the development of the north-west minerals province. In fact, the Premier and I had a discussion just recently about the fact that the north-west minerals province does not receive the same sort of recognition that perhaps the Bowen Basin and the coal industry do, but it makes a huge contribution to the Queensland economy and it does so in a way that is almost unrecognised by a great many Queenslanders.

**Mr KATTER:** You stole my thunder.

**Mr SEENEY:** We are certainly very conscious of the potential that exists in the North-West Minerals Province and we are looking at ways that might ensure more Queenslanders understand the contribution that the North-West Minerals Province makes, not only at the moment but also for a long time, as part of the resources industry and the importance of it to the Queensland economy. We are very keen to ensure the opportunities in the north-west minerals province are recognised, enhanced and developed, if it is at all possible.

In relation to the provision of that sort of infrastructure, though, I think increasingly it is up to the proponents of developments, whether it be there or in the Galilee Basin or anywhere else. The major infrastructure that is required in both the Surat Basin and the Galilee Basin is being funded by the proponents themselves. In the Surat Basin, for example, there are a number of major transmission lines being constructed to facilitate the development of the gas industry. They are not being funded by the taxpayers of Queensland; they are being funded by the end user. I think that is the model that our government will encourage. We are certainly looking at some changes to facilitate that, especially in the case of the Galilee Basin, where the major transmission line will be probably used by only a single user. It raises a whole range of different issues.

In relation to the north-west minerals province, of course, a transmission line to the north-west minerals province from the existing electricity transmission network would obviously have more than a single user. It would be a multiuser. It would introduce a range of challenges. The government needs to be a facilitator in that rather than a doer of that. That is in line with not just our government; governments across-the-board are moving in that direction. My colleague the Treasurer has talked extensively about that, and I think the Commission of Audit demonstrated the very need for that move towards facilitation by government of a whole range of activities, but these in particular, and that was brought to the fore of public discussion.

In summary, we are certainly supportive of the development of the north-west minerals province. We are certainly supportive of the development of the infrastructure that you and I both understand is critical for that development. We see the government's role as being a facilitator of the investment that will be required for that infrastructure, rather than that infrastructure being constructed by the government making a direct investment of taxpayers' dollars.

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

**Ms MILLARD:** Can the Deputy Premier please outline what progress has been made on the Coorparoo transit oriented development?

**Mr SEENEY:** I thank the member for Sandgate for the question. The \$150 million Coorparoo transit oriented development, or Coorparoo TOD, is to proceed following the signing of a project agreement on 28 June 2013 with the successful developer, Honeycombes Property Group. This action completes the commitment in the Premier's six-month action plan from January-June 2013, No. 33065, which was to engage the private sector to undertake the Coorparoo TOD project.

The development comprises public transport infrastructure, including the busway on-road solution and a collector road across the site, along with residential terrace homes and apartments, a retail and/or office component and a public realm development. The Coorparoo Junction development proposal was released to the market in January 2011 and, from the seven expressions-of-interest offers received, two of the three short-listed proponents submitted detailed proposals.

The revenue return is less than initially estimated due to the site constraints, including a high groundwater level, the extent of hard rock and the Q100-year flood level, which have restricted the below-ground car-parking level to two levels. As the accommodation yield is strongly driven by parking provisions, which also influence retail floor spacing, the subsurface site conditions can only support a maximum of 27,000 square metres of gross floor area. I am advised the return proposed by the market reflects the yield that can be delivered under the site and design constraints and the current financial circumstances.

The development will be delivered in three stages, with the first stage expected to start at the end of 2016. Approximately 900 on-site construction jobs are estimated to be created over the life of the project, with between 60 and 70 jobs associated with the operation of the retail office space.

**Mr YOUNG:** Deputy Premier, getting back to the theme of acronyms, I refer to SARA, the State Assessment and Referral Agency. In my region I have seen firsthand developments that have been stymied by lengthy time frames. Deputy Premier, can you elaborate on how SARA will benefit those development approvals?

**Mr SEENEY:** I thank the member for Keppel for the question. There was no message delivered more strongly to us in opposition over a period of years than the message about the need for reform in the planning process. As the member for Keppel indicates, in his electorate—in every electorate—there are any number of examples of developments that had been frustrated. Individuals and larger corporations—everybody—had a degree of frustration with the planning process. That is why, as I indicated in my opening address, one of the key activities of our department over the first year of our government has been a complete change to the planning process—a complete overhaul—and a planning reform process that I do not think has been seen anywhere for a long time.

A part of that is a move to the State Assessment and Referral Agency, a single assessment and referral agency. We created the single State Assessment and Referral Agency from 1 July, and it is a clear commitment to the planning reform that I spoke about. This agency fulfils another of the government's commitments through its second six-month action plan: it reduces red tape and it will stimulate economic activity by providing greater certainty and confidence to the industry in the integrated development assessment process. The agency has streamlined the government's role in the integrated development assessment process by removing the need for applicants to interact with several state agencies and eliminating what were often conflicting and confusing directions about an approval, conflicting and confusing conditioning at times and even the refusal of an application by one particular agency.

The establishment of this agency was a strong and clear response by the government to the concerns loudly voiced by the industry that the state's role in the assessment process had become part of the problem and desperately needed to be addressed. This agency provides a simpler and fairer development assessment in Queensland, empowering the director-general of the department of planning to make decisions to balance all state matters in development assessments.

Since its commencement, this agency has provided a single lodgement process with the state government to reduce the risk of missed referrals for development applications. It has provided a point of contact within the state government. It has provided assessment and response to development applications and a set of state development assessment provisions against which development will be assessed to ensure that no conflicts exist between state agency decisions and advice and that requirements imposed on applicants are reasonable.

The putting together of the State Development Assessment Provisions, I think, was a big step forward because a lot of people said to me that they did not know what their application was going to be judged against. Now we have available to people who are considering development applications the SDAP—another acronym—the State Development Assessment Provisions. People can go and look at those provisions and understand what their application is going to be assessed against before they make their application.

The development and construction industry now benefits from a simpler lodgement process and from a single state decision maker that can ensure that unreasonable and conflicting requirements are not imposed on applicants. The government, through my department, will review and monitor the systems and performance of development assessment through this agency to continually improve and ultimately provide the most effective land-use planning and development assessment system in Australia.

It is also worth mentioning that a cabinet subcommittee has been set up, the Property and Construction Cabinet Committee—another acronym, PCCC—which has an overview function for bringing together all of the departments that are involved in the planning process. SARA is a single assessment agency, but there are still a whole range of departments that are involved in a response to a planning application or a proposal. While we would expect that most of the issues surrounding those proposals would be resolved at the officer level within departments, the cabinet subcommittee, the PCCC, is the ultimate adjudicator where issues can be sorted out. That model has been copied from the Resources Cabinet Committee, which brings departments together around the cabinet table—both ministers and senior officers within the department. The RCC, the Resources Cabinet Committee, has been very successful in resolving a whole range of issues that affect the resources industry. I think the Property Construction Cabinet Committee will provide the same opportunities to resolve issues between departments that are involved in the planning process and the approvals process. That will, firstly, make the experience for proponents a lot more bearable and it will also contribute to the aim the government has of facilitating development, making development possible and stimulating economic growth.

**Mr HART:** Deputy Premier, carrying on with the theme of a single agency, how does the single State Planning Policy help with planning and development in the state?

**Mr SEENEY:** I thank the member for Burleigh for the question. The single State Planning Policy is also part of the planning reform agenda that I have spoken about this morning. The State Planning Policy is about delivering better planning and infrastructure and it is one of the top priorities of this government—reforming Queensland's planning system. The development of a single State Planning Policy is an important step in achieving that reform.

When introduced, the State Planning Policy will encourage flexible, innovative and locally appropriate approaches to planning. It will empower and support local governments to make the best planning decisions for their communities. Importantly, it sets out the state's interest to guide local governments when they are making or amending a local planning scheme. We are making it easier for local governments to balance state interests while ensuring the approval of the right development in the right location without undue delays.

The draft State Planning Policy was released for 40 business days statutory consultation from 15 April to 12 June 2013, with 323 submissions received by the department. The department has held 10 briefing sessions across the state with a total of 652 participants participating in those sessions. A number of key industry events, hosted by bodies such as the Planning Institute of Australia, the Urban Development Institute of Australia, the Property Council of Australia, have also been held during the consultation period.

Key areas of discussion during that consultation have been the overwhelming support for the single planning policy and a one-stop shop mapping system, the role of non-statutory guidance material, the transitional provisions and the implementation of the single planning policy and the cultural shift in planning and the changing role of state agencies and local governments—and when we say cultural shift we mean a change in attitude and change in approach. That has been the biggest change in the planning process—the change in attitude. The other key areas of discussion were the current hierarchy of state planning instruments and the matters of state environmental significance declarations.

In finalising the single State Planning Policy, my department will take into consideration all submissions made during the statutory consultation period. My department recognises that 74 local governments are currently in place in Queensland and many are currently preparing new planning

schemes. The department will work closely with these councils and will be assisting them to implement the new State Planning Policy once adopted. The State Planning Policy will be finalised and adopted later this year. The final State Planning Policy will provide a consolidated and comprehensive view of the state's interests in planning to produce a prosperous Queensland.

**CHAIR:** I call the member for Pine Rivers.

**Mr HOLSWICH:** With regard to planning legislation, can you please outline why it is necessary to improve Queensland's planning and development system through new planning legislation?

**Mr SEENEY:** I thank the member for Pine Rivers for the question. I think that the step that we are taking with the act that administers planning will too be a significant part of the reform. We are proposing that the Sustainable Planning Act that is in place at the moment be replaced with a new act that will be called the planning for development act. The planning for development act will very clearly, I think, communicate the message that planning is about development. To quote one of the Premier's favourite sayings, 'If we don't have development we don't need planning.' Planning is about making sure that development can proceed in a way that is appropriate and in a way that is controlled and meets individuals' aspirations and the community's needs.

On 12 June 2013 I announced that the government is commencing a review of the Sustainable Planning Act. This responds to the current concerns of many stakeholders, including local governments, about the shortcomings of the Sustainable Planning Act 2009 and the serious effect it is having on the way planning and development is conducted in this state. I intend to introduce the planning for development bill into parliament next year to drive a transformation of the state's planning and development assessment system and culture. The purpose of the bill will be, as its name suggests, to enable development. This government has worked to reduce the burden of red tape and unnecessary regulation for business and industry and an overhaul of the state's planning and development assessment legislation is the next logical step in that reform.

The review will not be a long, drawn out process as the concerns and issues are well understood. Arrangements in the new legislation will ensure that work already progressing in councils on their new schemes can continue with confidence and support will be provided to local government to progress new scheme provisions during the reform process. There is no reason for any council to slow down or put off their scheme-making processes.

The planning for development act will result in less prescription and more navigable legislation that will save time, cost and effort by all users of the system, particularly developers, councils and the state government. I look forward to the introduction of the planning for development bill into the parliament and the consideration of that bill presumably by your committee. I would be very pleased to come along and talk to the committee at some length about the proposals in that bill once it is drafted and introduced into the parliament.

**Mr MULHERIN:** We look forward to that.

**CHAIR:** Thank you, Deputy Premier. You cannot imagine how much we are looking forward to that bill! I do see a problem though, it would become the PDA and that is going to be another acronym that will be confused with others.

**Mr SEENEY:** It will be.

**CHAIR:** We might have to make a recommendation on that. My electorate covers both parts of the South East Queensland Regional Plan and the Wide Bay Regional Plan. You flagged that there will be a review of the South East Queensland Regional Plan. Can you advise the committee when that will commence and how we would expect the new South East Queensland Regional Plan to be different from the previous versions of the plan?

**Mr SEENEY:** Thank you for an opportunity to talk about the South East Queensland Regional Plan. The South East Queensland Regional Plan is about delivering improved planning and infrastructure, and it is one of the top priorities of the government. The review of the plan is due in 2014. To achieve this the Queensland government is preparing a new regional plan for South-East Queensland that aligns with the government's policy and planning reform agenda, particularly the draft single State Planning Policy that sets out the state's interests in planning and development.

We are looking to provide a regional context for and resolve competing state interests. We need a plan that provides a regionally specific policy direction about matters of state interest where it is necessary and a plan that is prepared in partnership with South-East Queensland councils, with input from industry and community stakeholders. The plan also most importantly needs to empower local government to effectively manage growth and plan for their communities.

As the first step in the review process I met with 11 mayors in South-East Queensland on 16 April 2013 to provide them with an opportunity to put forward their issues and concerns to assist in developing the approach and timing of the review. Although there is no statutory time frame for reviewing the current plan, a new plan is necessary because population growth and the economic context of the region have changed significantly since the last review in 2009. All levels of government have budget pressures and the prioritisation of infrastructure to attract, leverage and maximise economic and community benefit is critical. The current plan articulates that a review would be undertaken by mid-2014. As mentioned earlier, alignment with this government's policy and planning reform agenda, particularly the draft single State Planning Policy, would seem to be a natural priority.

The range of policy issues addressed in the new regional plan will be fewer than past statutory plans, in part due to the introduction of the draft single State Planning Policy. The new generation regional plan for SEQ will have a clear focus on land use issues that cannot be addressed by a single government or that involve the resolution of conflict between two or more state interests.

The development of a new plan will be guided by stakeholder reference groups focussing on four key areas. The areas will be: one, agriculture and resources; two, economic development; three, settlement pattern and urban form; and, four, transport and infrastructure. I am establishing a new regional planning committee to include all SEQ mayors and a number of state MPs from across the region to provide advice on the development and implementation of the new regional plan. The establishment of that regional planning committee is a statutory requirement. They will be having their first meeting in the near future.

It is expected that a draft regional plan will be made available for community consultation in mid-2014. Following on from the discussion that I had with the member for Mackay this morning about the importance of community consultation in the development of the government precinct here in the CBD, I think the public consultation process for the SEQ regional plan will need to be extensive and will need to provide opportunity for a whole range of people who will rightfully expect an opportunity to have an input. They can be assured that under that consultation process they will have an opportunity to have an input.

There will inevitably be a wide range of views about a review of the SEQ regional plan. As you would expect there will be a range of views about the changes that may or may not be proposed to the SEQ regional plan. It is right and proper that that discussion be had. It is right and proper that everybody who has a view about the potential changes or about the future of the SEQ regional plan should have every opportunity to have their voices heard and to put a case for the particular point of view that they hold.

At the end of the day, the new regional plan will be about ensuring the future of South-East Queensland and it will align with the government's policy of driving economic growth for the benefit of all Queenslanders. It is envisaged the new regional plan should be in place by December 2014, but that is not a hard and fast time frame. We will take as long as is necessary in the public consultation process and we will take as long as is necessary in the consideration of the wide range of views that I know will come forward to ensure that the SEQ regional plan is a document that can provide guidance for the future of the South-East Queensland region.

**CHAIR:** We have four minutes left. I might ask the member for South Brisbane if she would like to ask a question before we break.

**Ms TRAD:** I am happy to, Mr Chairman, but given the very comprehensive and lengthy responses from the Deputy Premier, I am also happy to be guided by you and we can break early.

**CHAIR:** I would hate for him to miss out on his batting average. This is one chance for him to hit another one for six.

**Ms TRAD:** I assume that the independent report you referred to in relation to the pilot mine water release program is the Gilbert and Sutherland report commissioned by your department, is that right?

**Mr SEENEY:** I thank the member for question. I made the point a number of times in parliament that the mine water release program was about accumulating data and about building a scientific basis—

**Ms TRAD:** That is not my substantive question.

**Mr SEENEY:** An important part of that was to have an independent assessment. As I said earlier, the whole process was about building community confidence in the information that is available. To build that community confidence there were a number of initiatives put in place. One

was to make all of the information, irrespective of where it came from, available publicly to anybody who had an interest. Secondly, it was about involving people in the process. I went to Rockhampton a number of times to meet with the local groups there. The groups comprise a whole range of people representing all views in the discussion.

It was also very important, I believe, that we had an independent peer review, if you like, of the information that was available. There was a three-pronged approach. The information was available for anybody to do their own work on. There are a number of people who are doing that, and more power to them. The information is available to government departments. We are certainly utilising the expertise within the department of science. My parliamentary colleague Minister Walker has been involved in this process as of course have my parliamentary colleagues Minister Cripps and Minister Powell. All of those ministers and their departments as well as my department have been involved in not just analysing data but determining what other data is necessary—what else can we measure. The third part of that of course was the independent peer review. That was conducted by Gilbert and Sutherland, as I indicated before. That report was produced some time ago.

**Ms TRAD:** May this year.

**Mr SEENEY:** It seems a while ago now. It was produced some months ago. It was presented to the Fitzroy water group in Rockhampton initially. Minister Powell and I attended that presentation. I am pretty sure I tabled it in the parliament. Can somebody confirm—

**Ms TRAD:** No.

**Mr SEENEY:** If I did not table it in the parliament, it is certainly available on the website. I did table it in the parliament, from memory. But if I did not it is certainly available. It provides an independent analysis of the data set that we have built up. That is the critical part of it. It is the part of it that, as I said before, should have been done a long time ago. We should have a database. We should have an information base about the effects of an activity like this in a basin like that. It is no good pointing fingers and allocating blame, I suppose. But it is the fault of all of us that it has not been done up until now.

So the pilot project is very much about not just releasing the water but also understanding the impacts—understanding clearly what the impacts are or are not. The only way to do that is by a comprehensive measuring process and then a comprehensive analysis of the numbers that come out of that measuring process. But it has to be done comprehensively. It has to be done over a period of time because, obviously, a river system is a dynamic thing. Every time there is a flow in the river it is different, especially a river system that is as big as the Fitzroy-Dawson-Mackenzie river system. It is a huge river system. The rainfall can vary across the system and the flows can come from different places and have different effects. So it will take, I think, a fair period of time to build up the sort of information base that I think is necessary. But we have made a very big start on that with the pilot scheme that was put in place.

Already some of the myths have been shown to be very, very much based on misinformation. The biggest of those or, I suppose, the most important of those is the purported effect on the water supply in Rockhampton, because it became very clear—very clear to even the most cynical observer—very early in the pilot project that the mine water releases were not having any effect at all by the time they got down to the water intake at Rockhampton. Even the most cynical of the people who have been involved have conceded that the pilot release scheme has shown that to be a myth very early in the process. It needs to go on. If this process needs to go on over a period of years, over a period of different seasons, then it will continue to be assessed and monitored by an independent professional group, as it is now, as part of building their credibility, which is critically important.

**CHAIR:** We will now adjourn for a 15-minute break and the hearing will resume at 11.20 am.

**Proceedings suspended from 11.03 am to 11.20 am**

**CHAIR:** The committee will now continue its examination of the portfolio of the Deputy Premier and Minister for State Development, Infrastructure and Planning. I call the member for Mackay.

**Mr MULHERIN:** Deputy Premier, are you concerned that there is likely to be a perception that the Packer consortium has secured a seat at the table, so to speak, just because it says it wants to be there?

**CHAIR:** Member for Mackay, I am going to ask you to reword that question.

**Mr MULHERIN:** Deputy Premier, you are arranging a meeting with the Packer consortium to discuss the casino licence. You have mentioned that there are probably others. Why does the Packer consortium get the treatment that they should be at the table because they want to be at the table?

**Mr SEENEY:** Mr Chairman, I will try to answer the member's question. I think I have already answered it a number of times, but I will answer it again. First of all, his question is in error. We are not arranging a meeting to talk about the casino licence, and I have pointed out a number of times this morning that the government has not taken any decisions about casino licences. What I have said a number of times is that we are consulting widely in relation to the redevelopment of the government precinct, and we are consulting at all sorts of levels—from the ordinary citizen who might like to log on to the website to the shopper in the mall who might like to have an opinion, from interest groups to industry groups, Brisbane City Council as a whole, Brisbane City councillors as individuals, people who might have an interest in developing whatever use is their particular interest on the government precinct.

There have been two casino operators who have made public statements about their interest. As I have said a number of times this morning, what we have said is for them to come and talk to us as part of that consultation process. Whether or not a casino is part of the eventual development of the government precinct is a matter that will be for a decision down the track. That decision certainly will not be made until this consultation process demonstrates to us a clear direction. The decisions around that will be very accountable. We will ensure that everybody understands what decisions are being made and why. But I say again what I have said a number of times this morning: no decisions have been made. We are at the very early stages of a long, long process. Any discussions we are having with anyone are very much around what can we use this precinct for, what would be the best use of this precinct, what would be the effect of any particular use and how can we best understand what is the best use of this precinct for the people of Brisbane.

**Mr MULHERIN:** Deputy Premier, what is the role of John Strano, the special adviser to your director-general, in the casino discussions? It was reported in the *Courier-Mail* that he was showing representatives of one of the potential casino operators the government precinct site. In fact, I think there was a photograph in the *Courier-Mail*. So what is his role?

**Mr SEENEY:** I thank the member for Mackay for the question. A whole range of people obviously make contact with the department about investment opportunities in Brisbane. There is an opportunity for anyone who is considering those sorts of investments, whether it be in the gaming industry or in the manufacturing industry or in airports or in the defence industry—a whole range of investment opportunities which my department discuss with proponents. I, as minister, certainly am not aware of those discussions. That is part and parcel of the everyday operational work of the department.

In regard to the consultation process around the government precinct, that too is happening at a departmental level. The professionally designed consultation process that I have talked about a number of times this morning is progressing. My involvement has been, as I have indicated a number of times this morning, because of the public comment that has been made by these two particular groups, but my involvement is not limited to that. I am happy to meet with any other entity that expresses an interest. In fact, as I indicated before, I have met with other people who are seeking to develop five-star hotels and things such as that who are looking for opportunities in Brisbane.

**Mr MULHERIN:** My question is to the director-general. Director-General, Mr Strano is your special adviser. How many contacts to date has Mr Strano had with personnel from Crown Ltd including the Executive Chairman, James Packer; the CEO, Rowen Craigie; the Executive Deputy Chairman, John Alexander; or any other Crown Ltd personnel?

**Mr Edwards:** Just one, and that was last Friday.

**Mr MULHERIN:** I would like to table the minister's diaries. Your ministerial diary up to the end of May shows no meetings with either Echo or Crown, while there have been 18 contacts declared with other ministers and their officers. Deputy Premier, have you had any meetings to date that you have not declared? I am just asking.

**Mr SEENEY:** I thank the member for Mackay for the question. Can I begin by saying that the release of ministerial diaries is an initiative of our government and something that the government the member for Mackay was part of never undertook, never did. It is part of an open-government initiative which our government is pursuing. We are quite happy to make available our diary so that the people of Queensland can see who we meet with. One of the things that concerns me about the way in which the diaries are released is that it does not fully encompass how busy a minister's day is. When you read the format in which those diaries are released, I can assure you that it does not fully encompass how busy ministers are and certainly how busy my diary is. But can I assure the member for Mackay that, no matter how busy I was, I would not neglect to enter into the diary a meeting such as the one he alluded to. So my direct answer to the member for Mackay is of course not—of course not.

**Mr MULHERIN:** That is fine.

**Mr SEENEY:** If I had such a meeting, it would be recorded in the diary because our government has a commitment to releasing information. The open-government initiative, which the Premier has initiated and which is being driven by the member for Mermaid Beach, Ray Stevens, I think is a first for the Queensland government, and it would be absurd to suggest that a government that undertook such an initiative, with such strong support from cabinet, would then release diaries that omitted such an entry as the one the member for Mackay refers to. So the profoundly definite answer to your question, member for Mackay, is, no, of course not.

**Mr MULHERIN:** Well, I am pleased, Deputy Premier, because some of your former colleagues were not as stringent with their diaries as you appear to be. Deputy Premier, given that Queensland has more casinos than any other state, has your government undertaken any research or economic modelling to determine how many casinos the Queensland economy can support?

**Mr SEENEY:** I thank the member for the question. As I have indicated a number of times, the issue about casino licences has been raised in the context of the redevelopment of the government precinct. That is the only reason it has been raised, although from time to time we do have proponents suggesting that they can build resorts in other parts of Queensland if they had a casino licence. To be totally complete, it was raised in relation to the cruise ship terminal on the Gold Coast as well.

**Mr MULHERIN:** What about Cairns?

**Mr SEENEY:** Well, there are proponents who propose projects up there.

**Mr MULHERIN:** And you have met with them?

**Mr SEENEY:** Yes, but our government has not seriously considered the issue of changing the casino licensing arrangements until we began to grapple with the challenge of redeveloping the government precinct. As I have indicated a number of times, it is obvious that we are going to have to make a decision on that. It is very obvious in the initial stages of the public consultation that that is a key question in regard to the redevelopment of the government precinct. It depends entirely on the sort of development that we decide on or that the people of Brisbane tell us they want in this part of the CBD as to whether a casino is part of that or not. I am sure some of you would have seen the Crown development in Melbourne. It is a very large destination type development. Equally there are other developments like that in other cities. If that is the sort of development that we need, then of course we have to make some decisions around casino licences. Alternatively, if we decide that that is not the sort of development that is desirable for that part of the CBD but that it should be a hotel development and a shopping centre development of some sort, then there is no imperative to consider the casino licensing issue. The process has to proceed one step at a time. We are in the process of taking that first step of deciding what the development needs to be.

As I indicated before, if—and it is an if—we decide that the redevelopment of the CBD needs to involve a casino, then there is a whole range of decisions that need to be taken around that. I suspect the sort of analysis or the sort of understanding that the member for Mackay refers to in his question would need to be part of that decision-making process, but we are not at that point yet. We are still consulting with the people of Brisbane. We are consulting with stakeholders. We are consulting with anybody who wants to come and express an opinion about how the government precinct that is bounded by George Street, Alice Street and William Street—or potentially George Street, Alice Street and the river—can be redeveloped to return vitality to this part of the CBD, to provide the greatest benefit to the people of Brisbane and to be something that everyone who lives in Brisbane not just now but in the years to come can be proud of and can be part of.

There is a heap of challenges. Apart from the casino issue, there is a range of challenges around access depending on what we build. There is a range of challenges around the heritage buildings that we touched on briefly previously. There are the terraces and the mansions on George Street. There is the heritage buildings along the riverbank, some of which are convict built and are very much a part of Queensland's history. Then there are all the interrelationships that we also touched briefly on earlier. There is the interrelationship between that precinct and the Queen Street Mall and the Brisbane Square. There is the interrelationship from our perspective with the parliamentary precinct. I have said publicly that the last thing we want across the road from the parliament is some big glass and chrome edifice. There has to be some relationship with the parliamentary precinct and the Queensland Club—another heritage building on the other corner. There is a whole range of issues that have to be considered quite apart from the issue of a casino. All of those things need to be discussed and understood before we take those decisions that the member for Mackay is referring to.

**Mr MULHERIN:** Deputy Premier, you said that other operators have expressed an interest in Cairns and the Gold Coast. Who are these operators? And have you met with them?

**Mr SEENEY:** The Gold Coast issue was part of an EOI process that was trying to assist the Gold Coast City Council in the construction of a cruise ship terminal. I take it that you are reasonably familiar with that proposal. We called for expressions of interest in relation to the construction of the cruise ship terminal which was part of the platform the Gold Coast City Council was elected on. They were elected on that proposal so we undertook to at least assist them to investigate the process. The issue of a casino was pretty much an unanswered question in relation to that development and it remains so. I think we have made it pretty clear. In that process we went to the market and asked the market to inform the government about what would be necessary to construct a cruise ship terminal in the Broadwater. That process is ongoing and it will complete over a period of time.

There have also been a number of inquiries that are very preliminary from other proponents who have visions of building major resorts in North Queensland. Almost routinely they make an inquiry about the possibility of a casino licence. It has not yet at least progressed to a point of serious consideration. The situation is as it is, and it is up to those people to make a more definitive proposition if the government is to consider those propositions seriously.

**Mr MULHERIN:** If you are getting all these people knocking on your door—

**CHAIR:** Member for Mackay, we need to move on. We have examined this area in some detail. I now call the member for Mount Isa.

**Mr KATTER:** Deputy Premier, with regard to the execution of the 50-year plan for the supply chain and the rail to port, Mount Isa is a very important part of the puzzle for development in the north-west minerals province. It is very important to Townsville, for that matter. The composition of the committee that will facilitate the rolling out of that plan is critical to the effectiveness of the plan itself. There is some question about the representation of stakeholders. Stakeholders not represented on that committee include smaller mines. It is a committee that is dominated by some of the stakeholders that would present some of the problems on that line. The composition of the steering committee to execute the 50-year plan is critical. In particular, there is a lack of smaller mines and other stakeholders on that steering committee. Do you see that as an issue worth addressing to ensure we have the efficiency on that line which is critical to getting the most benefit we can out of the resources industry in the region?

**Mr SEENEY:** I thank the member for Mount Isa for the question. I certainly agree with him about the necessity to ensure that that supply chain operates as efficiently as possible. That is why I guess the government has embarked on the process that he refers to.

I can inform the committee that the North Queensland Resources Supply Chain Project aims to improve the efficiency and productivity of the supply chain between Mount Isa and Townsville. This will be achieved through better coordination amongst infrastructure owners, operators and current and future users to manage the movement of freight along this economically important corridor. The project is being guided by a steering committee which consists of 13 members from industry, state and local government. The steering committee is currently working to achieve two clear outcomes: firstly, a whole of supply chain assessment of freight bottlenecks and the ability to target and stage infrastructure upgrades to where they are most needed and can be commercially undertaken; and, secondly, to have the most efficient and transparent supply chain possible, with improved communication and coordination on the supply chain and transparent and clear processes for access in the use of the supply chain assets.

The steering committee is overseeing three key pieces of work to be undertaken in support of the project's outcomes. These pieces of work are, one, a comprehensive demand modelling framework to enable prioritisation of projects, policy and investment decisions; two, an infrastructure capacity audit to determine the true capacity of North Queensland's supply chain to understand current constraints and determine infrastructure development priorities; and three, a supply chain coordination analysis to consider options for greater efficiency of operations on the supply chain and options for greater transparency in decision making. These options will include consideration of various models for the long-term establishment of a coordination function along the Mount Isa to Townsville supply chain. These studies will put the spotlight on existing freight transport and infrastructure needs and will also consider future requirements for this economically important supply chain. Studies are expected to run for the rest of this year, 2013, and will all be completed and provided to the steering committee by early next year. The Queensland government secured funding for this project from the Australian government's Regional Infrastructure Fund and is providing direct support in the delivery of the project.

In conclusion, I say to the member for Mount Isa that, if he wants to make a more detailed submission to me about the composition of the steering committee and annunciate the concerns that he might have, I am very pleased to either respond formally or have a discussion with him about it. Certainly, as I indicated, the government is very supportive of the supply chain project and shares the concerns that the member for Mount Isa has that that project produces an outcome that I think we all want to see.

**CHAIR:** Do you need a supplementary?

**Mr KATTER:** No.

**Ms TRAD:** Deputy Premier, could you explain the very heavy concession given in the Gilbert and Sutherland report that you referred to earlier before the break? The report states that, at the time of preparing the report, data collection analysis and reporting associated with the 2012-13 enhanced environmental monitoring program were not complete. Therefore, the report is based on information available to date. Is that information available to date the information that you refer to in your answer to the question before the break, which was the information that Minister Powell, Minister Cripps and you worked through to give to Gilbert and Sutherland?

**Mr SEENEY:** I thank the member for the question. Unfortunately, there are a lot of errors in the question. The member is making assertions that are just not right.

**Ms TRAD:** Well can you explain the concession in the report?

**Mr SEENEY:** Obviously ministers, whoever they are, do not work through information to give to independent assessors or independent reviewers such as Gilbert and Sutherland in any situation. Such a suggestion is quite nonsensical. The important part of the pilot project was about accumulating information that was not there—accumulating information to provide a basis for future decision making, accumulating information so that people who were understandably concerned—and quite rightly so—about the effects of the release of water from mines could have a basis on which to judge those effects. It was very much about accumulating data that, as I said a number of times earlier, really should have been there in the past. It is something that should have been done. It is something that I would have liked to think would have been done over a period of time but had not been. A very important part of the pilot project was to accurately measure effects wherever we could and whatever those effects were. The pilot project had a number of key points—

**Ms TRAD:** But, Minister, that data was not available at the time of the report.

**CHAIR:** The minister is answering the question.

**Ms TRAD:** No, he is not. With all due respect, he is not answering the question.

**Mr SEENEY:** As I indicated, that was a key part of the pilot project. I am not a hundred per cent familiar with the quote that the member for South Brisbane is using from the report—

**Ms TRAD:** It is on page 12 of the report.

**Mr SEENEY:**—but it does not surprise me, because I made the point a number of times this morning that it is regrettable that there is not as much data available about the operation of the river system as we would have liked to see.

**Ms TRAD:** It was data about your release program.

**CHAIR:** Member for South Brisbane, if you continue to interject you do not afford the Deputy Premier the opportunity to answer the question. He is able to answer the question in whatever way he sees fit as long as the answer is relevant to the question. I ask the Deputy Premier to continue.

**Mr SEENEY:** It is very relevant to the whole mine water release project. Everyone needs to understand that it is about building an information base. It is about accumulating the data that is necessary to make decisions in the future. We have been very careful in the pilot project to make sure not only that all of the measuring and the monitoring was in place but also that the results of that measuring and monitoring were made public—made available to everyone, as I indicated before. All of the available information was also made available to the independent assessors, who were Gilbert and Sutherland. Nobody pretends that we fully understand the effects yet. However, the core aim of the project is to build that information base, to build the scientific data, so that there can be no doubt that in the future, as the pilot project expands, and a long time before we get to the point where all the mines are involved in the project, we fully understand the effects—that the data systems are comprehensive enough to ensure we fully understand the effects of releasing mine water through all of the variable seasonal situations that arise in that system.

**CHAIR:** I would like to acknowledge the Leader of the Opposition joining the committee and present an opportunity for her to ask a question.

**Ms PALASZCZUK:** Thank you very much. Good morning, Deputy Premier. First of all, I just want to ask a question of you in relation to Budget Paper No. 2, pages 79 and 82, and the details of staff. I was wondering if you would be happy to provide to the committee details of the salary payments to your chief of staff? We asked that question yesterday. We still do not have the full details of the Premier's chief of staff. I was wondering whether you would be happy to provide those details.

**Mr SEENEY:** I thank the Leader of the Opposition for the question. As I indicated this morning, it is the first question I have had from the Leader of the Opposition since the last estimates.

**CHAIR:** It is a day of firsts.

**Mr SEENEY:** It is a day of firsts. The Leader of the Opposition was not here when I made the observation this morning—

**Ms PALASZCZUK:** I listened.

**Mr SEENEY:**—that since the last estimates I have sat in the parliament day after day after day eagerly waiting for a question from the Leader of the Opposition—

**Ms PALASZCZUK:** Just a yes or a no will suffice.

**Mr SEENEY:**—but none was forthcoming. The member for Mackay asked me one question, so more power to the member for Mackay. I am pleased that the Leader of the Opposition attended the committee today to break her duck, so to speak.

With regard to my ministerial office staff, they are employed under a model that is set by Ministerial Services Branch with which I am sure the Leader of the Opposition, as a former minister, is very familiar. There is a set model that sets salary bands. I can assure the committee that people who work in my office are all employed under that model and there is nobody employed who falls outside the bands that are set down in that model.

**Ms PALASZCZUK:** Is it an SES level?

**Mr SEENEY:** I say to the Leader of the Opposition that I am sure that, from her experience as a minister, she is familiar with the model and there is no-one employed in my office—

**Ms PALASZCZUK:** We will move on, shall we? We are not getting anywhere on that one.

**Mr SEENEY:**—who falls outside those salary bands.

**Ms PALASZCZUK:** I move on to highlights for 2013-14 where you talk about releasing an economic development directions statement for Queensland airports. Last year we explored your charter travel. I seek leave to table a document relating to travel. Last year, in the period between 26 March and 30 June travel to and from your electorate was about \$64,964. I seek leave to table that.

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

**Ms PALASZCZUK:** Last year we discussed in detail that that was quite a large figure. I now have in my possession the figures for the period 1 July 2012 to 31 December. So basically—

**CHAIR:** I am sorry to interrupt. Are these documents that have already been tabled in the parliament by the Deputy Premier?

**Ms PALASZCZUK:** Yes, they have.

**CHAIR:** That being the case there is no need to table them again.

**Ms PALASZCZUK:** Sure. In the last six-month period, to the end of December last year, travel to and from your electorate was \$97,541. So if we add the \$97,541—

**CHAIR:** Leader of the Opposition, is there a question here?

**Ms PALASZCZUK:** There is.

**CHAIR:** Because you are certainly taking a long time to get there.

**Ms PALASZCZUK:**—to the \$64,964, that is almost \$160,000 in a nine-month period. Is this your personal taxi service?

**Mr SEENEY:** I thank the Leader of the Opposition for the question and say that I have waited 12 months for a question from the Leader of the Opposition. As you quite rightly pointed out, Mr Chairman, these documents are ministerial expenses. As the Leader of the Opposition knows, they are tabled in the parliament; they are not part of the consideration of the committee this morning.

**Ms PALASZCZUK:** I am very happy to hear your answer.

**Mr SEENEY:** The other point is that after 12 months the Leader of the Opposition has to ask me the same question that she asked me last year.

**Ms PALASZCZUK:** It is \$160,000.

**Mr SEENEY:** The answer is exactly the same.

**Ms PALASZCZUK:** It is obscene.

**Mr SEENEY:** Nothing has changed since last year. I am a regional member of parliament. Our government believes that regional members of parliament have every right to hold senior positions in the government. We will continue to ensure that regional Queensland is well represented in our government. It is about ensuring that regional Queensland is represented in a government that cares about regional Queensland—

**Ms PALASZCZUK:** My deputy is from regional Queensland.

**Mr SEENEY:**—and that regional members that are a part of that government are able to travel backwards and forwards to complete the task that they do. As I indicated to the Leader of the Opposition last year, I travel once a week from where I live to Brisbane in a small Cessna aircraft, a four-seater. I would dearly like the opportunity that I suspect the member for Mackay has to have a Qantas business-class option, but that is not available to me.

**Ms PALASZCZUK:** So you think it is worthwhile spending that amount of money, \$160,000?

**Mr SEENEY:** I take the next best option. The Leader of the Opposition made a big to-do about this last year. I indicated to her that this option had been identified as the best option by MSB. They provided me with a budget for that travel. Even though the Leader of the Opposition did not indicate it in her question, I think I have expended about 60 per cent of that budget for the financial year. So I am only expending a little over half of that budget. I can assure the Leader of the Opposition that, while it may well be in her interests to make it more difficult for me to do my job, that is certainly not going to be the case. I will continue to represent the people of regional Queensland. My whole life has been about representing regional Queensland—about fighting the tyranny of distance, of ensuring that regional Queensland has a strong voice in a government that is dominated by South-East Queensland and by Brisbane. I will continue to do that. The Leader of the Opposition can ask me these questions every year if she likes. The situation is exactly—

**Ms PALASZCZUK:** It is \$160,000 of taxpayers' dollars.

**Mr SEENEY:**—as I said last year. Nothing has changed and nothing will change.

**Ms PALASZCZUK:** You can go to Vegas 57 times for that amount.

**CHAIR:** Thank you very much, Deputy Premier. Leader of the Opposition.

**Ms PALASZCZUK:** Deputy Premier, you stated here this morning that government's No. 1 infrastructure project was the new Executive Building at 1 William Street and it is a puzzle. I ask: are Queenslanders to be confident—or are they to be puzzled—that you are fully comprehending each of the multibillion dollar projects that you sign off on each and every day?

**Mr SEENEY:** I thank the opposition leader for the question. It is rather juvenile, I would suggest, but I am happy to answer it. I indicated this morning when the Leader of the Opposition was not here that the construction of 1 William Street was the first step in enabling the development of a significant part of the CBD. Because 1 William Street then enables a whole range of other sites to become available, there are a considerable number of decisions to be taken as to how those sites are to be redeveloped in the future.

I think I have a number of times this morning gone through the process. For the benefit of the other members of the committee who have heard me explain it three times, I think it is best if I just refer the Leader of the Opposition to the answers that I have already given. With apologies, I have gone through the process three times in response to questions from the member for Mackay. The Leader of the Opposition now joins the committee and asks me a question which begs the same answer. I do not think it is fair to the other members of the committee to be subjected to the same answer a fourth time. Mr Chairman, with your grace I will refer the Leader of the Opposition to the answers that I have already given.

**Ms PALASZCZUK:** I have one more question. In relation to decision making, I am interested in further exploring the process you work by when signing off on billions of dollars, and I refer to the evidence given to the committee yesterday by the director-general of the Department of the Premier and Cabinet, Mr Jon Grayson, that you signed an Executive Council minute on 3 July. My simple question is: did you sign that document? Yes or no?

**Mr SEENEY:** Yes. Mr Chairman, I am not sure what the Leader of the Opposition is referring to, but I would make the committee and the Leader of the Opposition aware that I made a detailed statement to the estimates committee yesterday that considered the estimates of the Committee of the Legislative Assembly. I made a detailed statement there. The Leader of the Opposition did not attend that committee, even though she had every right to—

**Ms PALASZCZUK:** Excuse me, you cannot actually comment on people's absences.

**Mr SEENEY:** She or any other member of the Legislative Assembly had ample time to ask me any questions that they wanted to ask me about that particular statement. I would refer the Leader of the Opposition or any other member to that statement that I made and which is now on the parliamentary record. I am not sure what the Leader of the Opposition was alluding to in her question, but I think it needs to be made very clear that—

**Ms PALASZCZUK:** It is to seek clarification that you did, indeed, sign that Executive Council minute on 3 July.

**Mr SEENEY:**—she and every other member had ample opportunity to ask me any question they chose about that yesterday.

**CHAIR:** Thank you, Deputy Premier. As has been quite rightly pointed out, this is for the examination of your portfolio as Deputy Premier and Minister for State Development, Infrastructure and planning. Deputy Premier, I acknowledge the presence of the GasFields commissioner Mr John Cotter. The committee had the pleasure of gaining from his experience during our consideration of the GasFields Commission Bill, and I thank him for his attendance here today.

Deputy Premier, can you outline some of the work that the GasFields Commission has performed over the last 12 months and why the GasFields Commission has such an important role within Queensland?

**Mr SEENEY:** Thank you, Mr Chairman. I might invite the chairman of the GasFields Commission, John Cotter, to make a contribution. While he is coming up, can I say that I am particularly proud of the fact that the GasFields Commission has been established, and I am very gratified by the work they are doing.

The GasFields Commission was something that began with an idea, and from that concept we took it right through to a reality. That is a very gratifying process in which to be involved. It is even more gratifying when the outcome proves to be a success. I think the real strength of the GasFields Commission is that it empowers the local community. The GasFields Commission is made up of representatives of the local community and they belong to the community. I have been very diligent to ensure that the GasFields Commission is at arm's length from government and that there is a clear separation. I only meet the GasFields Commission in a very formal way because I want to keep that of the community, because that is the role that I see for them. In so doing, they empower the community. They become a powerful tool for the community.

I have been very pleased with the activities of the GasFields Commission to date. I think that they have been part of a solution to a problem that was caused by the former government, which did not understand the administrative challenge of developing a whole new industry across a broad expanse of Queensland's agricultural land—and in some cases, some of the very best agricultural land—to establish a new industry which was required, by its nature, to coexist with the agricultural industry across such a large and well established area. It was always going to be a huge challenge, but it was a challenge the former government never understood and that was why we had such community disaffection. It is gratifying that that industry is, I think, becoming established and is becoming accepted by the community.

The economic input that that industry is making to the state is incredibly valuable, and you can see the sort of construction that is happening in Gladstone along the pipelines and in the upstream areas. It has a huge economic input. There are large numbers of jobs and economic opportunities for small businesses, so it is very gratifying to see that happen. Part of that growing community acceptance, I think, is due to the work of the GasFields Commission, and I would ask Mr Cotter to give the committee an indication of the sort of work that the GasFields Commission has been doing.

**Mr Cotter:** Thank you, Deputy Premier, Mr Chair, members of the committee. It was certainly a huge challenge when I was appointed by the Deputy Premier in April 2012 to lead this GasFields Commission. I would just like to outline a little bit of the background and context in which the commission has been built, and I think it will just reiterate what the Deputy Premier has suggested about the community ownership of this commission.

Before doing that, an understanding of what these two industries, agriculture and the resource industry, mean to Queensland—and in particular, regional Queensland—is extremely important. Agriculture occupies 83 per cent of the landscape of Queensland, and the resources industry and agriculture are the two most significant economic pillars of this state. They are both based, significantly, on the same landscape in regional Queensland. Taking that into context, it is understandable that with the development of the gas industry—which is probably the largest and most significant industrial development ever to have taken place in regional Queensland—there was enormous scope for misinterpretation, mistrust and a lack of understanding in which the two industries exist. It is in that context that the GasFields Commission has been formed and it has progressed in a way which will enable the community, I am hoping, to have trust and to see us as the independent broker of information to those communities.

The commission was built from the ground up by the commissioners—something rather unique in a statutory body—being in place and in operation before the legislation was in place. The Deputy Premier was absolutely adamant that the community would have that input. There were approximately 80 applications for the commissioner positions, from which the cabinet committee chose six. We had around 50 submissions as to what the powers and functions should be within the commission to build co-existence and trust. I think it is that basis which has given us status in the broader community to say that this is a serious commission which is addressing many of the community issues which are out there.

Can I just reflect on the commissioners with whom I have been fortunate enough to work. Mr Ray Brown is the mayor of the Western Downs Regional Council. He has had a long background as a producer in agriculture and there has been oil and gas on his family's property for over 50 years, so he has had a long and large experience in dealing with both industries. I think he has the portfolio of dealing with local government and infrastructure, something that is very much about the broader community rather than just dealing with landowners on a day-to-day basis. As the mayor of that council, he also understands the stresses and strains on local governments around the state. This GasFields Commission is a Queensland commission. It is very much about how we deal with this industry as it moves forward across the whole state. I think the contribution that Mayor Brown makes to the commission is very much about how local government deals with the issues and how the infrastructure issues across the community are dealt with.

Mr Ian Hayllor heads the water and salt management portfolio. There is no more controversial issue about how water is dealt with by the CSG industry. Mr Hayllor has a long farming and irrigation background on the Condamine River. He has developed new cotton-growing areas and has been through the issues which the cotton industry had many years ago. Mr Hayllor is very focused on how the community can work together, both for the irrigators, the intensive land farmers and the broadacre farmers. The issue of how the water which is extracted by the CSG industry can be best used is very much at the fore. Tomorrow he is chairing a meeting of both industries on irrigation standards for the beneficial use of CSG water. I think they are some of the indicators of where the commission is progressing on these significant issues.

Commissioner Don Stiller is a landowner from Wandoan who has enormous experience and background in dealing with a large number of companies in the industry, not only on his own property, but family properties in that area. In his former role as mayor of the Taroom Shire, he has also dealt with some of the issues that the coal industry has brought to Wandoan. He is a great asset for the commission because of his ability to deal with land issues, and he also has a good relationship with landowners.

Commissioner Shane Charles heads up Toowoomba and Surat Basin economic development. Shane heads up our community and business portfolio, which has very much been to the forefront of looking at community spend and making sure that local businesses get their opportunity to take advantage of this huge expenditure by the industry. He is also looking at development in places like Toowoomba and Chinchilla and the housing and health services that come with this sort of development, so he is very much at the forefront of that. He is now, in conjunction with me and a number of the proponents, looking at what some of these communities will look like in the future. We want to know what the three- to five- to 20-year plan is for these communities. We do not want to see another Miles, Barcardine, Alpha or Aramac when this industry develops. We do not want to see come-and-go towns. We want to see long, sustainable development. We want to ensure that this industry and regional Queensland have long-term benefits from this industry.

I think Steven Raine is probably our most significant contributor for getting factual information into the broader community. Steve is a very well credentialed soil scientist and engineer out of the University of Southern Queensland. He is well known to many people in both the regional and scientific communities. It is the credibility which Steve brings that has allowed us to assess what science and research had been done in the water area. We have accumulated that science and research and we have put it out there in the public arena. We have identified where we may need other scientific research done. We have liaised with the chief scientist of this state and the University of Queensland, and we have a whole range of activities going on in that space. If there was ever any issue that caused most people a concern, it was the lack of credible information. I think that scientific information has been absolutely paramount in the success of the commission.

The final commissioner is Rick Wilkinson, who represents the industry. There has been some comment about his role in the commission, but it is absolutely critical to have a balanced view in a commission like this. Rick has 30 or 40 years global experience in the industry, and he comes with an absolutely objective opinion of the industry. He has made a significant contribution in allowing us to develop processes to deal with the industry to ensure that there is a far greater understanding of the relationships between the development of the on-shore gas industry, agriculture and the regional communities.

**CHAIR:** Thank you very much, Mr Cotter. We will move on to the member for Keppel.

**Mr YOUNG:** Deputy Premier, I have had some inquiries into the level of protectionism for agricultural land and, for that matter, regional towns. Under the new regional planning framework, I want you to elaborate on that if you can.

**Mr SEENEY:** Thank you, member for Keppel. I think the statutory regional planning exercise which we have undertaken is another one of the major achievements of our government in the first 12 months. It too addresses an issue that I think is critical to the economic development of Queensland in that it addresses that co-existence question that your question refers to, and certainly the GasFields Commissioner touched on it in indicating the work of the GasFields Commission.

The recent boom in resource exploration and extraction has meant increased economic opportunities, but it has also increased uncertainty regarding the impact of the industry on agricultural assets and communities in regions throughout Queensland. The draft Darling Downs and Central Queensland regional plans are the government's new generation regional plans which seek to address the potential land conflicts which may arise from the interaction between agriculture and mining, two of the vital pillars of Queensland's economy. The plan also aims to provide strategic direction for councils and certainty to industry and communities on issues that are most important to the region. These regional plans will advance the state's interest in land use planning for the region by setting specific regional outcomes and policies and, as appropriate, contextualise and resolve any competing state interests in the region. These regions contribute significantly to the state's agricultural production, but in recent years they have experienced rapid growth in resource activity which has resulted in competition over land use between these sectors and not a small amount of community angst.

This government, through the regional planning processes, will resolve this conflict and protect areas of priority agriculture land use from incompatible resource activities and maximise opportunities for co-existence of resources and agricultural land use. The new regional plans will also provide greater certainty for the future of towns in these regions. They will safeguard areas required for the growth of towns by creating priority living areas while providing for resource activities to locate within these areas where it meets the community's expectations as determined by the relevant local government. So we will create both priority agricultural areas and priority living areas. The government recognises that local planning is best undertaken by local governments. These regional plans are just one of the suite of plans, strategies and legislative instruments that guide land use planning and development outcomes for these regions. They will not attempt to deal with every issue in the region, as this is not the role of regional plans.

The preparation of these regional plans has been a highly collaborative process and has involved extensive consultation across the regions. I appointed regional planning committees for each region on 20 July 2012 which were comprised of members of parliament, local government mayors, industry and community representatives. I have met a number of times with the regional planning committees and my department has conducted workshops, briefings, community information sessions and numerous meetings with individual representatives over the past year in order to understand the land use conflict issues facing the region and to develop strategies to address these

in the draft regional plans. After extensive consultation, the draft Central Queensland and Darling Downs regional plans were notified on 28 June 2013 for a statutory period of public consultation which will close on 20 September 2013. These draft regional plans are on track to be finalised by the end of 2013.

It is envisaged that the Strategic Cropping Land Act will now be reviewed and amended to both facilitate the implementation of these new generation regional plans and to address other issues associated with the act. There have been a number of unintended consequences that have come to the fore since the introduction of the Strategic Cropping Land Act which have created problems, especially for the agricultural sector. I am working closely with my ministerial colleague Andrew Cripps, the Minister for Natural Resources and Mines, who currently has carriage or responsibility for the Strategic Cropping Land Act and we are talking about how we use that act as the legislative vehicle for the implementation of the land use controls that will be the final outcome of the statutory regional planning process.

It may very well mean that that act will be renamed and become a planning act, because essentially that is what the Strategic Cropping Land Act was. It was a planning instrument that was about land use control. It was land use control based on a number of different soil criteria. I have always said—and the member for Mackay will probably remember the debates in the parliament—that it needed to be about more than just the seven soil criteria. The statutory regional planning process that we put in place is certainly about more than the seven soil criteria that are encompassed by the Strategic Cropping Land Act, but it builds on that rather than detracts from it. It takes that as a base and builds on it. I think the direction the government is going is for a single piece of legislation that is about land use controls that protect the land uses—the agricultural land uses—that we want to protect but facilitate the co-existence that I think the broader community want to see so that those two critical industries—agriculture and resources—can continue to make the contribution that they do to the Queensland economy.

**CHAIR:** Deputy Premier, can you update the committee on the fantastic work—and I say that with personal experience—that your department is delivering in rebuilding the Mary Valley?

**Mr SEENEY:** Thank you, Mr Chairman. Certainly, as the member for Gympie, the consideration of my department's estimates would not be complete without some comment about the Mary Valley Economic Development Strategy because it certainly has been a challenge. The government's Mary Valley Economic Development Strategy is delivering results, as you and the local community can attest. It is revitalising the valley and slowly restoring community stability from a very low base. I launched the strategy shortly before the 2012 estimates hearings and considerable progress has been made since then. The Tenant Purchase Scheme has commenced which invites sitting tenants to buy their particular property. This increases community stability by offering existing residents the opportunity to make their lifestyle in the valley more permanent. It is also part of our commitment to return government owned property to private ownership. Over 100 registrations have been received from tenants. Offers to proceed with purchase will be made to eligible applicants from July onwards. These sales will bolster our already successful divestment program which focuses on properties not required for new enterprises.

In the 2012-13 financial year, 33 lots were settled, with a further eight under contract, including five unconditional contracts. This is still only a very small percentage of the properties that the previous government purchased in the Mary Valley. We have adopted new divestment approaches for government which reflects our commitment to innovation in implementing the Commission of Audit recommendations. Helmsman auctions were held in December 2012 and March 2013. Helmsman auctions allow prospective buyers to bid for multiple properties at the same time and to move their bid between properties. Two more such auctions will be held in 2013, the next in August.

A principal real estate agent has been appointed to coordinate the marketing and sale of properties. This approach leverages the expertise of the private sector and frees up the government to focus its attention on the economic development program. That economic development program has yielded three proposals in 2013. Between them, Higher Ground, Cedar Hill and Templeton Farming Enterprise have a potential to generate over 50 full-time jobs as well as dozens of seasonal jobs. They will also bring flow-on businesses to the valley from which the whole community can benefit. They are the building blocks of the new economy for the Mary Valley.

Discussions have been held with local banks and businesses to explore packages for financial assistance and opportunities for enterprise establishment. We have also embedded government resources into the valley. A permanent office has been opened in Kandanga which is home to our recently appointed community liaison officer. It also functions as a local venue for the community to

find out more about the plans to revitalise the valley and the management of the property portfolio remaining in government hands. A comprehensive approach has been taken for managing the portfolio. Two local agents have been engaged for day-to-day management and rent collection and local contractors ensure appropriate maintenance and repairs are undertaken, as well as weed control, and that was an area that was way out of control under the previous government's administration. Department officers are responsible for ensuring tenants meet their obligations under the leased terms.

Mr Chairman, as you know, the Mary Valley situation was a huge challenge. It involved communities that had been decimated. The return of a normal life to the Mary Valley was always going to take time. Our strategy is based on achieving an economic base—an agricultural economy that can underpin the economy of the Mary Valley and allow it to be the vibrant place that it was once was. The progress that we have made to date is encouraging and it is pleasing, but it is only a small step on what will be a long road to the restoration of the Mary Valley to anything like it was before the horrendous decisions were taken by the previous government which decimated so many people's lives and so many communities in the Mary Valley.

**CHAIR:** Thank you, Deputy Premier.

**Mr HART:** Deputy Premier, in just about every question you have answered today you have reinforced that this government is all about building the economy of Queensland. Can you tell us how the Resources Cabinet Committee is helping with that process?

**Mr SEENEY:** I certainly can, and I thank the member for Burleigh for the question. As I said in my opening statement this morning, I think the Resources Cabinet Committee has been one of the great successes of our government. The resources industry is one of the four pillars of our economy. It is also a crucial driver in getting Queensland back on track. We understood that we needed to find ways to better support the resources sector and to make sure that we had optimal conditions to allow the businesses within that sector to flourish. For those reasons, we established the Resources Cabinet Committee to stimulate investment and support the sustainable development of the resources industry by reducing approval times and cutting red tape and by allowing the departments that were involved in the decision making around the resources industry to come together on a regular basis in a forum that allowed issues to be resolved.

We invite industry to come along to committee meetings and to tell us the practical solutions to reduce the regulatory burden that support a more productive industry. The key achievement has been to introduce the pilot mine water release strategy to return mines in Central Queensland back to full production, and we have spoken extensively about that this morning. The 2012-13 mine water pilot has demonstrated that common-sense changes to release conditions can be made to increase mine water release opportunities whilst protecting the environment and downstream water users. But it has also demonstrated how departments can work together—how a number of departments can cooperate using the common forum of the Resources Cabinet Committee to firstly design and then implement a process such as that.

We have delivered common-sense reforms to the environmental impact statement process, cutting the terms of reference from 100 pages to 25 pages, and focusing the terms of reference on the critical issues that require the most detailed analysis and assessment. We have also delivered crucial reforms to the approach to the social impact assessment, focusing on outcomes rather than processes. This gives industry more flexibility in how they spread the benefits of their projects to regional communities. We have introduced a standard environmental authority for petroleum and gas exploration, cutting standard conditions from 300 to 65 conditions. This means the time frames have been cut from up to 18 months to just 30 days.

The committee has also delivered a revised coal seam gas water management policy. The committee has also simplified strategic cropping land assessments. It has dealt with the extension of the time frame for the refit of regulated dams. It has successfully negotiated conduct and compensation agreements with gas companies for access to state land. It has amended the wild rivers regulations in the Cooper Basin to deal with some unintended consequences relating to gas exploration and production. The committee will also encourage new resource development opportunities such as uranium, oil shale and shale gas, and all of those issues have been the subject of consideration by the Resources Cabinet Committee. With effective and responsible management, these industries have the potential to create thousands of jobs, economic development opportunities, improved fuel security and deliver royalties for our regions. I think the Resources Cabinet Committee has been an enormous success. It has been an enormous success because of what it has delivered.

It has been an enormous success I think because it has allowed people within individual departments to overcome some of the frustration that previously existed because they can come together and work through these issues on a regular basis and produce outcomes that not only give them personal satisfaction but provide the sorts of benefits that we want to see for the Queensland economy.

**CHAIR:** Thank you, Deputy Premier. I call the member for Pine Rivers.

**Mr HOLSWICH:** Deputy Premier, during COAG in September 2012 former Prime Minister Julia Gillard agreed to negotiate a bilateral approval agreement with the states and then backed down under pressure from the Greens. Have you had any contact with Prime Minister Rudd about this? Has Prime Minister Rudd given any indication that he will negotiate with Queensland?

**Mr SEENEY:** I thank the member for Pine Rivers for the question. As he quite rightly says, we were very disappointed at the reversal by former Prime Minister Gillard because at COAG in September and October 2012 the former Prime Minister agreed with the states that a bilateral agreement between the Commonwealth and the states would reduce green tape and regulation, and our Premier, Premier Newman, was foremost amongst the states in advocating for that. But under pressure from the Greens, former Prime Minister Gillard withdraw her support for the agreement in December 2012—did a complete backflip. I wrote to Prime Minister Kevin Rudd on 9 July this year asking him to revisit the bilateral approvals agreement that Ms Gillard had backed down on.

It is vital to the Queensland economy that major projects are assessed in a timely manner. There are currently 32 projects under active assessment by the Queensland Coordinator-General. These projects have the potential to generate \$71 billion in capital investment, providing over 38,000 jobs in construction and 24,000 jobs in ongoing operational roles. Delays in gaining Commonwealth approval under the EPBC Act has caused significant uncertainty and extra costs for a lot of these major projects. After a project has been considered by the Queensland Coordinator-General, the Commonwealth minister has six weeks to make a decision as to those projects.

The average time for the Commonwealth decision has not been six weeks; it has been 22 weeks—22 weeks rather than six weeks. Currently, there are seven projects sitting with the Commonwealth minister. They are the Eaglefield coal expansion, which has been there since 7 October 2011; the Washpool coal project, which has been with the federal minister since 10 May 2011; the Ellensfield coal project, which has been there since 4 December 2012, the Arrow Bowen pipeline, which has been there since 22 March 2013; the Range coast, which has been there since 3 April 2013; the Urquhart Point mineral sands project, which has been there since 3 April 2013; and the Newlands coal expansion, which has been there since 28 May 2013.

If Kevin Rudd wants to establish his credentials as an alternative Prime Minister, I would suggest that he needs to address these issues that are critically important to the economic development of Queensland and Australia. He was in Queensland yesterday and, as I said before, we were very disappointed that the Prime Minister could visit Central Queensland and North Queensland and not understand the importance of the role the Commonwealth has in approving these major projects.

I think it is time that Kevin Rudd concentrated more on the real business of government than on the politicking we saw over the last couple of days. The real business of government is ensuring that the economic future of our country is assured by ensuring that these projects are advanced to a stage where they can provide the jobs for Queenslanders and for Australians, they can provide the income for both state and federal governments, and they can provide the economic growth, the economic opportunities for Queenslanders. To do that we have to have an approvals process that is creditable but also allows the huge investments that are needed for these projects to happen in a timely way. There was no indication from Kevin Rudd yesterday that he even understood the role that the Commonwealth plays, let alone was prepared to make the sort of commitment that one would expect from a Queensland based Prime Minister to the future of the Queensland economy and that was very, very disappointing.

**CHAIR:** Thank you.

**Mr MULHERIN:** Deputy Premier, I refer to page 11 of the SDS where it outlines that the government will implement a new infrastructure charge framework from 1 July 2014. In April this year you said that local governments in some cases are gold plating infrastructure and that this is an issue for your government. What evidence do you have of this gold plating? Are you able to table evidence of gold plating?

**Mr SEENEY:** Mr Chairman, I thank the member for Mackay for the question about what I suspect he knows is a very difficult issue to resolve. The issue of infrastructure charges is one that has been vexed, but it is one that our government and our department have been allocating a great many resources to and we have been consulting very widely with all stakeholders in that.

Infrastructure charges are part of the assessment process. Delivering improved planning and infrastructure is one of the top priorities of the government, so we are determined to get a resolution to it. Reforming the infrastructure charges framework is, therefore, a key priority. As I said, it is absorbing a lot of my department's resources. Since the maximum charges framework was introduced in July 2011, there has been strong support from both the development industry and local governments for a more simplistic and transparent framework and they have all been involved in a number of workshops and a process in trying to bring that about.

There has also been some criticism of the framework, including the need to provide a clearer and more certain approach to key components, such as conditions, credits and offsets. My department is currently reviewing the existing charging framework with a view to introducing reforms to enhance the clarity, equity and consistency of the system. Between February and May 2013, the department held seven workshops with key local government and development industry stakeholders to discuss issues and options for reform. Feedback received in the workshops informed the preparation of a discussion paper, which was released on 1 July 2013 for wider stakeholder consultation. The discussion paper focuses on key areas such as infrastructure, scope and standards, conditions, offsets, refunds, credits, infrastructure agreements and dispute resolution. A review of the level of the capped charges is also being progressed separately in consultation with local government and industry stakeholders. To ensure that the new framework is operational by 1 July 2014, amendments to the Sustainable Planning Act 2009 are anticipated and will occur in the first half of next year.

It is always going to be a vexed issue, because for councils the infrastructure charges are always going to be too low; for developers, they are always going to be too high. The challenge—and it is a challenge that the previous government struggled with just as we have been putting an enormous amount of effort into it—is finding a balance that allows the development industry to carry out the development that we want to see happen in a way that does not unnecessarily impose impositions on existing ratepayers. There will always be differing positions on that.

**Mr MULHERIN:** The discussion paper talks about revising a list of essential infrastructure and removing non-essential infrastructure. In discussions, this non-essential infrastructure has included stormwater networks. They have offered the idea of using retention basins more so that they can drain away more slowly, but in places like my home city of Mackay, where it is in the flood plain of the delta of the river, it is like a big bowl. Those retention basins do not work in monsoon periods. So where it says that a stormwater network is not essential, it is essential in areas like Mackay. With the reduction of green space, we are saying that we want smaller lots and we are going to reduce the green space from four hectares per 1,000 people to two hectares per 1,000 people. Do you believe that putting this type of infrastructure and future arterial road corridors into developments is gold plating? Surely not.

**Mr SEENEY:** I thank the member for Mackay for the question. This issue of essential infrastructure and non-essential infrastructure and the consideration of it is probably one of the key parts of the consideration of the infrastructure charging regime. Greg Chemello is here. I might get Greg to give the committee a short explanation of the concepts. While Mr Chemello is coming up, can I indicate to you that, of course, some of the things you indicate are going to be essential infrastructure. It is where those definitions are drawn and how they are drawn and who pays for what that is, as you know, the critical part of the whole discussion that happens around infrastructure charges.

**Mr MULHERIN:** Because if it is not there in the first place and the community demands it, it is going to cost a lot more to retrofit.

**Mr SEENEY:** Yes, exactly.

**Mr MULHERIN:** Spreading it across the whole rate base.

**CHAIR:** As tempting as it is to debate this issue, we have an opportunity to hear from—

**Mr SEENEY:** Mr Chairman, can I say that we are all very aware of the problem, of the conundrum.

**Mr MULHERIN:** One model does not fit all and the topography of Queensland is different in every coastal community.

**Mr SEENEY:** I will ask Mr Greg Chemello, the deputy director-general in charge of planning, to respond. I hope—I know—that he will be able to explain this concept of non-essential infrastructure.

**CHAIR:** The wisdom of Solomon rests on your shoulders.

**Mr Chemello:** The first comment is probably more accurate, Deputy Premier. What we are trying to do is define what infrastructure essentially needs to be there for the development to be up and running. I will give you a couple of examples of gold plating. One particular council was requiring basically four cycle paths on a major road—so a cycle path either side and then a cycle lane within the road reserve. That is an example where we see you have four options to pedal your bike up and down this road. Is that really necessary when possibly one or two would do? There was another council that was looking at including aquatic transport—ferry systems—in their essential infrastructure list and charging developers as part of the infrastructure charge for ferries. The third and final one I can think of off the top of my head is some of the playground equipment, where some councils in their infrastructure plans have included quite lavish playground equipment as a mandatory component that the developers need to pay as part of the infrastructure charge.

The process we have gone through is looked at that whole range of infrastructure and said, 'What is essential for a development to be up and running? It is not the bare bones, 1950s or 1960s kind of approach, but what is essential in today's society that we still need to have?' So we still have the cycle path, for example. I will stick to that example. You are correct in that it will not be the same for every particular council. Each council will go through and look at its list. What we have tried to do in the discussion paper is define what we think generally would be the most acceptable range of essential infrastructure and then try to tie that into what would be a reasonable charge for the development industry to pay upfront.

There are two points to finish off on that. The mere fact that it is not listed in the essential infrastructure list does not necessarily mean that it will not be provided. Take Forest Lake as an example, with its extensive landscape. They built a lake and a forest basically to create that area. None of that was under an essential infrastructure list and none of that was mandatory. That was done as a marketing device and that will still happen. Developers will still provide far more than they need to provide under the essential infrastructure list. Secondly, councils have other means of funding other infrastructure. So the developer contribution is one means and they have other means at their disposal to fund other infrastructure. But it is trying to put the nexus to developer contributions being linked to what is reasonable for a developer to pay for their developments.

**CHAIR:** Thank you.

**Mr MULHERIN:** Just following on from that, the real concern with local governments is that in their planning processes they identify where growth will occur for a period. They commit to investing in the infrastructure that is required. But it is that area that might be just outside and then a developer wants to leapfrog. How will you stop that? The impression that I am getting from local governments is that they have to not only deal with the priority development areas that have been identified in their town plan but also deal with the ones that are on the fringe. So that comes at a great cost to council if they have to put that trunk infrastructure in there.

**Mr SEENEY:** Could I ask Mr Chemello again to respond to that question.

**Mr Chemello:** It is a reflection of our development market and our society that we do not have a mandated development system. So at a point in time a council adopts a planning scheme and that is based on the best research that it has available at the time that it has to do it and then times change. So planning schemes are reviewed every seven to 10 years. One factor is that there is a dynamic there whereby what we thought was a demand then changes and almost as soon as they are adopted they are almost out of date, like a lot of these sorts of systems.

Secondly, what a planning scheme tries to do is identify the potential areas for development. It does not mandate those areas, and it is up to the development industry to respond as it sees fit. That is a contestable market. People will respond in different ways. So you will never have that 100 per cent efficiency between infrastructure headworks provision and development actually happening unless we are in a very different society where we mandate development. Under our system we will not. Our objective is to get it as close as possible, to be as efficient as possible, within the facts of the system being developers competing for different products for different markets under different sorts of processes.

**CHAIR:** We have a brief amount of time left. Do you have one last question?

**Mr MULHERIN:** Yes, on your statutory regional planning processes and identifying priority agriculture areas, how are the productivity and the value of these agricultural areas within the proposed priority agricultural areas assessed? How was the productivity threshold considered when identifying these areas? Maybe it is your director-general who could answer this.

**CHAIR:** No, we have only two minutes.

**Mr SEENEY:** We have two minutes, unfortunately. I am happy to talk to the member at length at another time, but in being as brief as I could possibly be, the priority agricultural areas are defined on a broad scale. Within those priority agricultural areas there are priority agricultural land uses that are protected. So it is the land use that is protected. Those land uses are defined in the plan. Pretty much they are permanent cultivation, irrigated land uses and permanent plantations such as orchards and vineyards and things like that that are defined as the priority agricultural land use. Those land uses are, as their name would suggest, protected. They are given a priority.

**Mr MULHERIN:** So why do we need PAAs? If you are going to have a PALU, why do you need a PAA?

**Mr SEENEY:** Because it is within that priority agricultural area that our planning instrument is expressing the view that the government has that agriculture is a priority. Within that area, agriculture is a priority. That is what a priority agricultural area basically says: 'Within this area, agricultural land uses are the priority.' But we recognise that within that priority agricultural area not all of the land is used for the land use that we are trying to protect. So the second definition is the priority agricultural land use. As its name would suggest, it has the priority. Any other land use that wants to establish within that priority agricultural area has to co-exist with that. I apologise, Mr Chairman, because this is an area that I am very passionate about. Can I just repeat that I am happy to talk to the committee or to any individual member about it at length.

**CHAIR:** Thank you very much, Deputy Premier. The time allocated for the consideration of the proposed expenditure for the areas of responsibility administered by the Deputy Premier and Minister for State Development, Infrastructure and Planning has now expired. The committee wishes to thank the Deputy Premier and his staff and those departmental officers who have been present today. We appreciate the efforts that have gone into ensuring we have answers to the questions. The committee will now break for lunch. The hearing will resume at 2 pm with the examination of the budget estimates within the portfolio of the Minister for Energy and Water Supply.

**Proceedings suspended from 12.45 pm to 1.57 pm**

## ESTIMATES—STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE—ENERGY AND WATER SUPPLY

### In Attendance

Hon. MF McArdle, Minister for Energy and Water Supply

Mr J Sommerfeld, Chief of Staff

#### **Department of Energy and Water Supply**

Mr J Black, Director-General

Mr B Barr, Deputy Director-General (Acting)

Mr D Short, General Manager, Planning, Performance and Governance and Chief Finance Officer

#### **ENERGEX Limited**

Mr T Effeney, Chief Executive Officer

#### **Ergon Energy Corporation limited**

Mr I McLeod, Chief Executive

#### **Powerlink**

Ms M York, Chief Executive

#### **SunWater Limited**

Mr P Boettcher, Chief Executive

#### **Seqwater**

Ms T Benson, Chief Executive Officer

 **CHAIR:** The estimates hearing for the State Development, Infrastructure and Industry Committee is now resumed. I would like to reintroduce the members of the committee for those who were not here this morning. My name is David Gibson. I am the member for Gympie and the chair of the committee. Mr Tim Mulherin, the member for Mackay and the deputy chair, is being replaced today for this session by Mr Curtis Pitt, the member for Mulgrave. The other committee members are: Mr Michael Hart, the member for Burleigh; Mr Seath Holswich, the member for Pine Rivers; Mr Rob Katter, the member for Mount Isa; Ms Kerry Millard, the member for Sandgate; and Mr Bruce Young the member for Keppel. The committee has also given leave for other members of the Queensland parliament to participate in the hearing today and I welcome Ms Jackie Trad, the member for South Brisbane, and later on during the hearings we will have Ms Annastacia Palaszczuk, the member for Inala and Leader of the Opposition.

The next item for consideration is the proposed expenditure by the organisational units within the portfolio of the Minister for Energy and Water Supply. On behalf of the committee I welcome you, Minister, and your departmental staff and senior public servant officers here for these hearings today. I would ask that when any departmental officers identify themselves when they first come forward to answer a question that the minister refers to them can they do so by stating their full name and their position so that Hansard can record the details. I also remind everyone to either switch off or turn to silent their mobile phones, pagers and tablets. I now declare the proposed expenditure for the portfolio of the Minister for Energy and Water Supply open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, if you wish you may make an opening statement.

**Mr McARDLE:** Mr Chairman, thank you very much. Mr Chairman and committee members, the energy and water supply Service Delivery Statements is about planning for the future. Here I am not talking about the next five to 10 years, I am talking about the next 20 or 30 years as we move towards the year 2050. Whilst it is hard to state what the energy and water industries will look like in the future, it will be vastly different to today. In the coming decades energy and water will be two of the three most highly sought after resources across the world along with food. The nexus of these resources is

needed to sustain our growth in Queensland to nearly 9 million people by 2056. It will also underwrite the economic future of Queensland and Australia. But right now we are suffering the impacts of Labor's failing to plan.

The Labor legacies of wasteful spending are not only impacting on the cost of living for Queensland households, they are also impacting on the competitiveness of Queensland businesses. After almost 23 years continuously in government in Queensland by Labor I have been unable to find any holistic strategic documents that show a real understanding that both water and energy have long 30-year plus investment cycles that need to be supported by a strategic vision from government.

Over the last 16 months the Newman government has taken control. We are implementing reforms to relieve the cost pressures for Queensland households and businesses. We are building on these reforms by responsibly planning for our energy and water future. Over the coming decades the stressors on our energy and water supply will be unlike anything we have experienced before, demanding a response not yet envisaged and I see technology and innovation as vital to achieving a secure and affordable future energy and water supply. That is why policy that is flexible to recognise the change that will happen over the next 30 years is vitally important. It needs to be able to recognise the need to provide certainty to promote efficient and timely industry development. You only have to look at the last 30 years to realise that the change we will expect to see over the next 30 years will be much greater. Let me give you an example: right now there are more than 280,000 households with solar on their roofs in Queensland. Here today on the table before me I have a 250 watt solar PV panel that is similar to many of those you will find on roofs across the state, but what I also have here is this solar PV panel built into a ceramic tile, a ceramic tile that is widely used across Europe and is now being used in Queensland and, indeed, across Australia. That is, in part, the new horizon for technology in this state. I seek to table a number of photos of a residence and other places within Europe that highlight the use of the new technology that we have in regard to solar panels that we will have to deal with.

**CHAIR:** Is leave granted for the tabling of those documents? Leave is granted.

**Mr McARDLE:** In the near future solar panels will be built into the roof of new buildings. In fact, I can recall this morning seeing an ad on TV that actually showed the new structure and new style of solar panels being advertised right here in Australia. Let us turn to water supply quickly. We are moving towards remote automation of our water grid in South-East Queensland. Seqwater is also rolling out the next generation of water quality sondes, the EX02. This technology remotely delivers data in real time allowing for the instantaneous assessment of the quality of water entering our dams and treatment plants. The EX02 makes more water quality measurements than any earlier possible. It is also able to measure much higher ranges than earlier possible. Just think of the advantages and performance improvements we can get by this new style of technology. I have been very cautious, as has the government, in setting the reform agenda because what we need to understand is what are we trying to achieve—that is, what do we want. We want a resilient, cost effective and customer focused energy and water supply system that supports the economic and lifestyle aspirations of Queensland customers. That is why we are committed to developing two 30-year plans in regard to energy and water to deliver for this state long-term planning and long-term outcomes for those sectors. I thank you very much.

**CHAIR:** Thank you, minister. I would now like to proceed with the questioning and I call the member for Mulgrave.

**Mr PITT:** Thank you, Mr Chair. Welcome minister, welcome departmental representatives. Thanks for being here for this estimates committee hearing. It is no secret that electricity pricing is a very complex area and will continue to be challenging for governments from both sides of politics. I think that is something we will agree on. But what is important I think is being straight with people and not giving them false hope. I do not have any props, unfortunately. I feel a bit outgunned in that space.

**CHAIR:** You don't have the EX?

**Mr PITT:** I don't have one of those, Chair.

**Mr McARDLE:** We'll get you one.

**Mr PITT:** What I want to read to the minister is some comments made by the now Deputy Premier in April 2009 in relation to electricity pricing, with the indulgence of the chair—

What has happened with electricity prices in Queensland is symptomatic of what has happened with this government in so many other areas. Government members make promises that mean nothing. They set targets that are absurdly ridiculous, they set out with all sorts of theories and propositions that never become reality, that produce the opposite of what was promised when it was introduced into this parliament. Electricity pricing in Queensland is the responsibility of the government and that responsibility is exercised by the minister. It is in the legislation. It is in section 90 of the Queensland Electricity Act 1994 and the minister should read it. When every Queenslanders opens their electricity bills from this day forward they should sheet blame home to the minister and the government. It is the government that is responsible.

With those comments in mind I ask will you and your government finally accept responsibility for the 22.6 per cent increase in electricity prices this year and admit that you may have misled the people of Queensland in promising something that you knew you could not deliver?

**Mr McARDLE:** I do want to thank the member for the question. I think his opening statement was quite right. This is a very complicated industry and there is no doubt that we share that common thought. I have had a number of portfolios, mainly shadow obviously, and this one as the minister. I do not know of a more complicated portfolio when you start to open it up with power prices. I think that is the genesis of the answer. Because when a sector is this complicated you really have to go back to historical records to find out why we have gotten to a point in time that we have. I think that we need to look at that fairly closely. I do not think that too many people can forget—I certainly recall being in the House at the time—when then Premier Beattie deregulated the retail arm in the south-east corner and made the statement, and I might not get the words quite right, that this will mean lower prices for every Queensland consumer in the south-east corner. We know that did not happen. We also know that there have been a barrage of increases from 2007 all the way through to 2011 under the Bligh and Beattie governments and we know there have been increases in 2012 and 2013 under the LNP government. We also have to clearly understand one of the major components in relation to power prices and that is the network charges.

I think historically it is important again, as you said, to understand the complicated nature of this industry. When you look at the debt level of Powerlink, Ergon, Energex and CS and Stanwell you find that by 2011-12 the debt was about \$14.5 billion. That is an enormous debt that we are carrying forward. It is against that background that the now government made it quite clear during the campaign that we would freeze tariff 11 for a period of 12 months, and you may come back to that later. We also made it quite clear that it was no sense tinkering around the edges. There are so many levers in relation to this matter; there are so many factors that impact upon the cost, both state and federal. It was time to say enough is enough. It was time to say we need to take it apart. Historically that is what we committed to and I think you have seen now with the release of both the IDC and IRP reports and government response we have put in train a regime to consider all those levers.

Now, what will happen will be a matter of discussion, of course, with the unions regarding any proposed merger or proposed closure of certain depots, but at the end of the day we cannot sustain what has happened, we cannot sustain the past because it doesn't solve the underlying problems. That is our government's commitment.

**Mr PITT:** The point I am making with the question is about responsibility, responsibility for what was promised. I referred you to those comments from the now Deputy Premier. It was all about the minister and the government being responsible.

**Mr McARDLE:** Correct, that's quite right.

**Mr PITT:** Is he correct?

**Mr McARDLE:** I think what you are saying is that the government is looking historically at this and saying that we cannot do what we have done in the past. The past did not work. The past got us to where we are today. You said it yourself, with respect, member, that it is a most complicated sector. State and federal impact upon this in significant ways. We need to unravel what we have got and only by doing that can we get a better outcome.

**Mr PITT:** Minister, I want to table—I am sure you have seen it a number of times—the cost of living electricity section of the LNP's election commitment which clearly stated that an LNP government would provide savings of '\$120 a year on power bills.' Not \$120 one year, not \$120 for 2012-13, it says \$120 a year which means \$120 each year. I refer to comments from 16 June 2011 where the now Treasurer said, 'Under our plan the LNP would be able to offer Queensland households lower power bills than Labor.' The reality is, minister, that power bills have gone up by \$140 last year and by \$268 this year. This amounts to a combined increase of more than \$400 since

the government was elected on its promise to lower bills by \$120. My question is: with power bills increasing on average by 11 per cent last financial year and a record 22.6 per cent this year, will you finally admit you got it wrong and you broke your promise to Queenslanders? Did you raise their expectations too high by saying you had all the answers?

**CHAIR:** Minister, before you go to that question; member for Mulgrave, I am happy to provide latitude, but I do remind you under standing order 115 that we are here to ask questions not to make statements. In future if you are able to condense it down.

**Mr PITT:** Thank you, Mr Chair, I appreciate your guidance. I was making sure that the context of my question is absolutely clear for the minister.

**Mr McARDLE:** I think I have forgotten the question. What is the question again in a nutshell, please?

**Mr PITT:** The question is we have seen 11 per cent price rises last financial year and we are going to see a 22.6 per cent increase in prices this year. What is this all about, Minister? Have you broken your promise to Queenslanders in terms of getting their expectations too high, promising something that you could not deliver?

**Mr McARDLE:** Member, in fact, what I think we have done is put in place the regime to look at all of the levers in regard to power prices. As I said before, we simply cannot sustain what has been taking place under your government and Premier Beattie's government. That did not resolve any issues. That did not give us the solution on a long-term basis. You and I both know that people out there are hurting day in day out.

**Mr PITT:** People are telling me that every day.

**Mr McARDLE:** Irrigators, businesses and families. We know that. But can I tell you this: if we put a bandaid over this and hope that bandaid solves the problem, we are deluding ourselves. There are deep seated problems associated with the power sector in this state, not only because of the state and because of the historical record going back a number of years, but also because of things such as the carbon tax, which you may enter into a bit later on and we will have a good debate, despite the commentary to your left, and also we will have a debate about the RET and I suspect you might want to raise the solar as well. We will look at all those aspects and we will roll them all together to find out what the real problems are. If you want to go through the problems in regard to what is the cost of power in this state, I am happy to do so, but can I say this: I am not going to apologise for what this government is doing at this point in time. We are doing the right thing. For the first time that I can recall in something like 23 years we are unravelling a sector that is escalating out of all control, out of all sense, and that is the responsible thing for a government to do.

**Mr PITT:** You made a very passionate statement in February when the draft Queensland Competition Authority determination came out which flagged the possibility of a 21 per cent price rise at that point. You said that the increases are just not acceptable and that you would ensure that it is reduced to the lowest level possible. I guess the concern is, and this comes back to what people are telling me and what the perception is with households around Queensland, that every time you say you are going to reduce the price it seems as though they go up further. I guess the question is what can you say to Queenslanders to reassure them that what you are proposing is going to work and your plans will, in fact, have some traction?

**Mr McARDLE:** I thank the member for the question. I start by saying I have given the historical background as to where we are at this point in time. I pose a rhetorical question; in fact, there are two. The first question is: why didn't the former governments take action? Why didn't the former governments get down into the nitty-gritty and try to work out what the problem was? Why didn't they acknowledge a problem existed? Why didn't they acknowledge that there was a problem? We have done both. We have acknowledged the problem and we are also taking action to try to arrest the situation.

I remind the member that we came to government with a total debt of \$64 billion. The cabinet thought and looked very hard at what we could do. We did do some things but we knew that we had to tackle the problem head-on and deal with the elements that impact upon families. We knew that if we put in place a regime that could actually look at all those sectors we would have a much better chance of getting a better system in place, not just for Queensland families, who are critical to the state, but also for small business, which is the driving force of the economy in Queensland, and large

business in this state—the mining corporations, the large corporations up north. That is where we are focused. Again, with respect, sir, I do not apologise for that. In fact, I would do the study all over again, because I think we now have on the ground the start of a process and the start of a program that can see real outcomes because we have acknowledged the problem.

**Mr PITT:** That is all at this stage, Chair.

**CHAIR:** Thank you. Member for Mount Isa, do you have any questions for the minister?

**Mr KATTER:** Yes thank you, Mr Chair. To ensure the mining industry in North-West Queensland remains viable, it is my understanding that the water charges based on the evaluation of assets have been increasing. It is a substantial cost to some of those operations. I wonder what the minister's attitude towards that is, given that there is a bit of squeeze on the industry now and that it is a significant cost to them. My understanding is that the charges have been increased a number of times based on revaluations of those assets. I am wondering what the position is there, if there is consideration of that given that the industry is tightening? That might be one for the director.

**Mr McARDLE:** Can I ask the member to clarify: are you talking about local government assets or are you talking about SunWater assets?

**Mr KATTER:** SunWater assets.

**Mr McARDLE:** And in what context: full cost recovery, charges on the water or charges on the power?

**Mr KATTER:** Probably I could direct it at both. I can be more specific with the development of the Ernest Henry pipeline and the Lake Julius Dam, for example, where they have been revalued and the charges have gone up to the users based on the asset.

**Mr McARDLE:** Is this the proposed increase by several hundred per cent that you are talking about?

**Mr KATTER:** There have already been increases experienced.

**Mr McARDLE:** I might get the CEO of SunWater to answer that, to get some clarification on what you are talking about and also give you the answer that you are looking for.

**Mr KATTER:** Thank you.

**Mr Boettcher:** The question relates to water charges for the Ernest Henry mine; is that correct?

**Mr KATTER:** I guess that is a good case in point for us to work on.

**Mr Boettcher:** The Ernest Henry mine takes its water supply from the North-West Queensland water pipeline, which was a purpose-built pipeline constructed about 15 years ago. The contract for that pipeline expired in June last year and SunWater, at that time, negotiated with Xstrata, the owners of the Ernest Henry mine, for a reduced water supply because they cut back their water supply needs. You are correct that the pipeline was revalued at that time, which is in accordance with normal commercial practice.

**Mr KATTER:** I could not do much more with that one.

**Mr McARDLE:** Can I answer the issue with regard to the power prices, which I think was part of the question that the member was asking?

**Mr KATTER:** No, it is just water. You will have to move on from me, Mr Chair.

**CHAIR:** Member for South Brisbane?

**Ms TRAD:** Thank you, Mr Chair. Minister, I refer to your SDS, I think it is page 2 in particular, and specifically the development of the 30-year strategy for Queensland energy and water supply sectors, which you have dealt with in your opening statement. Minister, I will ask you to turn your attention to the 30-year electricity strategy directions paper. In that paper, when we talk about the future generation mix, I note—and I think it is on page 20 in terms of the future generation mix—there is reference made, in the column adjacent to the details, to nuclear power. My question to you, Minister, is: does the Newman LNP government have any long-term plans to introduce nuclear generation into Queensland's energy mix?

**Mr McARDLE:** No, we do not. It is a discussion paper.

**Ms TRAD:** Is that 'no, not ever' or 'no, we will not lift the ban on uranium until we get into government and then we'll lift the ban on uranium'?

**CHAIR:** Member for South Brisbane, you have asked a question. He has answered the question.

**Ms TRAD:** I think it is a relevant comparison, Chair.

**CHAIR:** If you would like to reword your next question, feel free to do so.

**Ms TRAD:** No, I won't.

**CHAIR:** The minister has answered your question.

**Ms TRAD:** I will withdraw the second question, but the first question stands.

**CHAIR:** Which the minister has answered.

**Ms TRAD:** Does the government have any plans to introduce nuclear energy generation into the Queensland energy mix?

**Mr McARDLE:** No. There are no plans on that at all. It is a discussion paper.

**Ms TRAD:** Okay.

**CHAIR:** Member for South Brisbane, any further questions?

**Ms TRAD:** I have no further questions at this time, thank you.

**CHAIR:** Thank you. Minister, if I can pick up on something that you were saying with regard to the member for Mulgrave's line of questioning. It tapped into, as you both agreed, the incredibly complex nature with regard to the energy sector. Can you inform the committee as to what engagement the department has had both with electricity consumers and the industry in dealing with some of those complex issues that you alluded to earlier?

**Mr McARDLE:** Mr Chair, I do thank you for that question. I meet on a quarterly basis, as do my director-general and members of his staff and my staff, with 18 consumer individuals, who represent groups as well. What we try to do in that group consisting of consumer advocates, retailers and other organisational bodies is look at what are the problems they are facing from both the retail and the consumer advocate side. That is a legacy of the former government. I think, quite frankly, it is a good legacy.

The other point is this: under the COAG SCER, the Standing Council of Energy and Resources, we are looking at establishing a national consumer body. What I would like to consider is a formal body in this state being considered for this reason: I firmly believe that you can have all the reforms you want in energy but you have to get the consumers coming with you. You have to inform them of what you are trying to achieve and get them to come on board. I give you an example of where that failed. Smart meters, which are a form of metering that the member for Mulgrave is aware of, were mandated in Victoria and it was a disaster because the public did not know what they were. I think education and bringing the public along on a journey, whether it is in my portfolio or any other portfolio, is very important.

The other point is that I certainly attempt to get out across the state, either in electorates in Queensland or meeting with Canegrowers and QFF, to discuss their concerns. I really believe that consumer advocacy in its various forms needs to be formalised into a body that can properly inform government, given we have significant reform currently underway in this state. Again, I firmly believe that only by engaging with them and bringing them with us on a journey can we get a long-term, lasting outcome.

**Ms MILLARD:** Minister, you have touched on this a little, but could you explain with more clarity what are the key cost drivers of electricity prices and what the government is going to do to reduce those prices?

**Mr McARDLE:** I thank the member for that question. I think you will find that the pie in relation to costs of electricity is quite well known. The network charges take over one-half of the cost, the cost of retail is about 11 per cent, carbon is about nine, green is about five and the energy generation costs are about 21. I have alluded to the fact that, at this point in time, we have a debt level of \$14.5 billion across the sector, borne by Powerlink and the other entities. We have a carbon tax and we have the green schemes, including the solar and the RET. What we are trying to do with the plan we have put out, by way of the government acknowledging the IDC and IRP reports, is look at those as best we can to take those costs down. For example, are we able to reduce the capex in the forward years by \$5 billion over the next five years? If that is the case, we can certainly look towards a lower cost on power bills. In addition to that, if we go to merge—I use the word in a very generic sense—Ergon and Energex, subject to consultation of course under EBAs, that will also save a

predicted \$582 million. So we are trying to save the money in regard to those items. Also, we are trying to get the issues leaner and meaner to deal with the matters on a state level to drive those costs down.

What we cannot do at this point in time is deal with the carbon tax and deal with the green schemes. I can deal with the carbon tax, given Mr Rudd's announcements, in due course, as I may well be asked, but we are outside of the control of those two items at this point in time. It is a holistic approach to dealing with a whole range of matters as best we can. This will not happen overnight. There is no guarantee that this is going to have us wake up tomorrow morning with the answer. But again I repeat: to do nothing, to repeat the past, you get the same consequence and same outcomes. We cannot do that anymore.

**Mr HART:** Minister, as a member from the Gold Coast and an engineer I have an interest in that great piece of engineering we have on the Gold Coast, the Gold Coast desalination plant. Can you tell me what sort of a business case the former government put forward for the building of the Gold Coast desalination plant and the western corridor recycling system?

**Mr McARDLE:** I start by making an observation here. As you know, we had the floods in January of this year that impacted upon South-East Queensland and more dramatically up north in Bundaberg, Gympie and the like. There was certainly a period when we had to draw upon the desalination plant for water into our drinking system here in Brisbane. That cannot be denied. That is a simple reality. In that sense, the desalination plant did perform a positive function.

As we all know, there is a report by the Queensland Audit Office, report No. 14, that did detail in some length the issues in regard to the recycled water pipeline and also the desalination plant. The report states—

The decision to develop the manufactured water assets was an appropriate response to the severe drought circumstances at the time, and they have provided water security.

It then goes on to make a number of comments in regard to both the desal plant and the pipeline. On the desal plant it says—

As no robust business case was developed for the Gold Coast Desalination Plant, the decision on the capacity of the plant did not benefit from the rigorous cost-benefit analysis that is required to be applied to such large scale investments.

...

Apart from water security, no other expected benefits have been realised—the environmental outcomes will not be achieved and economic outcomes were not specified.

It is clear that the former government rushed into a plan. It has been called on many occasions 'tender by invoice'. It developed a water grid that consisted of assets that are now wholly sitting there doing nothing. That does not mean that at some point in time they will not come back to provide a secure source of water in the future, but the cost has been exorbitant. The Gold Coast desalination plant was, in fact, the Gold Coast City Council's baby. It was supposed to be 55 megalitres. It was taken over by the state government and increased to 125 megalitres at an enormous cost of just over \$1 billion, if I recall correctly, or thereabouts and the water pipeline was about \$2.1 billion or roughly that figure. We have two very expensive items there that people in the south-east are paying for. The question becomes: why was no business case done? Why was planning not undertaken? Why do we have tender by invoice? Why are we now paying for it?

**Mr HART:** Going on from there, can you give us an idea of the cost impact of the desalination plant and the Western Corridor Recycled Water Scheme compared to other sources of water?

**Mr McARDLE:** Let us look at the cost of water. If we draw water from Seqwater dams it costs us \$256 per megalitre, from the desalination plant it costs \$4,881 per megalitre and from the Western Corridor Recycled Water Scheme it costs \$9,442 per megalitre. The desalination plant is 19 times dearer and the western corridor is 36 times dearer. There is a significant blowout in cost in using those resources to draw water. That is the cost that we are paying now and the cost that people in generations to come will pay over and over again.

**CHAIR:** I call the member for Pine Rivers.

**Mr HOLSWICH:** When we look at the renewable energy sources, what kind of future is there in Queensland for renewables? What steps is the government taking now? What steps do government and industry need to take in the future in order to utilise those renewable sources of energy in a sustainable way?

**Mr McARDLE:** Yes, renewable energy can be part of the mix, but what needs to be understood is that there are costs involved in the use of all these energies. One of the ones that stands out in my mind is the Solar Bonus Scheme. We will talk about that a bit later. It was a wonderful aspiration but the full cost involved therewith was not devolved. This government is not averse in any way, shape or form to this issue, but we need to have a very frank and open debate about exactly what the range of benefits are and what the costs associated with it are. For example, what subsidies are paid for wind? What subsidies are paid for green schemes? What subsidies would be paid for other schemes, such as a geothermal scheme, that may become active down the track.

We also need to look at a range of sources. Our energy source mix is changing dramatically. We only need to look across the globe. In England recently they found the largest deposit of shale oil gas in the world. That will dramatically change the use of energy sources. The shale oil gas capacity in this state is also enormous. The CSG capacity is also enormous. The mix of energy sources must be looked at.

That is why we are looking at a 30-year energy strategy. With that strategy we can crystal ball as best we can in terms of what we are going to look like in 30 years time, understanding that we cannot guarantee that. We can understand what we need to achieve to get the mix right. We can understand the cost drivers involved. When we get that coming together we will have a long-term plan for the state.

**CHAIR:** Can I pick up on something there. You have just alluded to the need to engage in developing this 30-year plan. Obviously there are experts within academia, a range of stakeholders and people with a wide variety of opinions, how are you engaging with them in the development of that 30-year plan to make sure that their information is feeding into it?

**Mr McARDLE:** My director-general, Jon Black, and other members of the department have held open sessions since the beginning of the year. They have been engaging not just with experts but with people on the ground as well. What I am also attempting to do is this. I see a strong interlink between water and energy. In conjunction with QUT and UQ, I am wanting to have a conference on this for Australian experts towards the end of next year. If we can I want to get the best possible minds looking at this. How do we actually get to a point by the end of next year where we can put this out to the experts and then go further with futurists and people who have a long-term vision about how we can make the mix work?

There are people whom I meet with quarterly. We have meetings with experts right across the state—from Mount Isa down and out west as well—to try to get the information across. This is not finished. If people want to make a submission or talk to us or give me a call they can. I am very keen to talk to them about this.

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

**Mr YOUNG:** Staying on the 30-year electricity plan and understanding the government is formulating that strategy, in terms of the discussion papers can you give the committee a quick brief on the feedback you have received so far?

**Mr McARDLE:** Sure. The feedback has been overwhelmingly positive. We have had feedback from universities, bodies and organisations. People are saying to us that for the first time there is a government that is not focused on a three-year term or a four-year term but focused on a long-term strategy. I have been to a number of meetings with executives of corporations, boards, industry groups and consumer groups and what they are all saying to me in unison is, 'We now have a plan for the future that we can look at.'

I do not believe for one second that I can look 30 years into the future and make a commitment as to what we are going to look like in 30 years, but if we start acting and thinking as though we are in a 30-year mindset we open our mind up. There are men and women who can do that. I am very keen to engage with them to achieve outcomes. Those submissions maybe closed in one sense but the mind never is. If you have an idea, give it to us.

**Mr PITT:** In the spirit of having discussion backwards and forwards, I want to pick up on a couple of points raised by the minister. The minister has talked about the GOCs carrying more than \$14 billion in debt. This is not a full question but maybe you can take a couple of these in one go. I would be interested to find out whether there is any suggestion that those GOCs have had any difficulty in servicing that debt? I am not aware that that would be the case. It goes back to the principle of all debt being bad debt. I do not believe that is right. You also talked about the carbon tax. I want to hear from you whether you will acknowledge that there has been a household assistance package—

**Mr McARDLE:** That is a very good question.

**Mr PITT:**—put in place which benefits the majority of households? It is a very specific question. I am not asking you to give me your commentary on the carbon tax—I do believe that is necessarily part of the hearing today—but I certainly want to know whether you acknowledge that the household assistance package is in place and is benefitting the majority of households and will remain in place?

**Mr McARDLE:** Let us talk about the debt issue. In the same timeline what we have seen is a growth in interest having to be paid by these entities. As at 2011-12 the interest debt of GOCs was over \$1 billion. It grew from \$600 million in 2007-08. They are being asked to draw upon their income levels to meet those debts. Clearly, if that money had not been required to meet interest payments it could have been utilised to assist consumers.

**Mr PITT:** Before you continue, Minister—

**Mr McARDLE:** However—

**Mr PITT:** With all due respect, he had asked for a backwards and forwards discussion.

**Mr McARDLE:** Okay.

**CHAIR:** We will allow him to answer. You did have two questions there.

**Mr McARDLE:** However, the debt level is still one that is serviced by the consumer.

**Mr PITT:** You have talked at length today about long-termism and strategic thinking. Some of the matters will be part of the accumulation of that debt. The infrastructure built are all strategic assets which have been built to incur the debt. You cannot have it both ways, that is all.

**Mr McARDLE:** Is it?

**Mr PITT:** I go back to my original question.

**Mr McARDLE:** Before—

**Mr PITT:** I am just finishing my question. I am happy to let you answer.

**Mr McARDLE:** A free flow, I thought you said.

**Mr PITT:** I will finish the question and you will have as long as you like to answer.

**CHAIR:** am I going to regret saying that!

**Mr PITT:** I think so. Again, has there been an indication that they have had any difficulty servicing that debt?

**Mr McARDLE:** You are stumbling over, I think, the major problem—that is, the level of infrastructure that has been built in this state. The major portion of this debt deals with the end minus one principle that you are acutely aware of. That came as a consequence of the review after the brownouts and blackouts in the mid-2000s. That has been the major source of this debt—building exceptionally large and exceptionally complicated infrastructure systems.

**Mr PITT:** We will talk about liability later.

**Mr McARDLE:** We will. The question in relation to that is: is it needed? That is a point picked up in the report by the IDC. That is a very clear point picked up by the IRP—three men who are experts in their field and have raised the sceptre of whether or not that needs to be undertaken any longer. That is the question that we will tackle.

Let us go back to the carbon tax. I am not quite certain how I can answer your question without making commentary about the issue of the carbon tax.

**Mr PITT:** I am sure you will do your best.

**Mr McARDLE:** I will skate around it as best I can in the circumstances, put it that way. In the spirit of bipartisanship—

**Mr PITT:** As long as you answer my specific question.

**Mr McARDLE:** Which was what?

**Mr PITT:** I am sure the chair will allow you latitude.

**CHAIR:** Latitude is granted.

**Mr McARDLE:** I apologise, what was the question?

**Mr PITT:** The specific question is: will you acknowledge that there is a household assistance package in place which is benefitting the majority of households and that that will remain in place even after recent decisions?

**Mr McARDLE:** Let us look at the recent decision. That is the crux of the question to a large extent, I think. The Prime Minister came out, as we all know, on the weekend and made the statement that he is going to cut the carbon tax and put in an ETS at \$6 per tonne, based on the European figure for carbon. But there now seems to be some doubt about whether or not that is just for the one year or until 2020. There is now some doubt creeping into this. Is it only for 2014-15 or for 2015-16 and 2016-17?

**Mr PITT:** It sounds like an election promise, Minister.

**Mr McARDLE:** It does. I am surprised you did not pick that up earlier.

**Mr PITT:** A \$120 saving each year.

**Mr McARDLE:** He is not in government next time yet. He has to get it through the Senate yet. It is a commitment by the government. But again the question becomes: is it only for one year? That is a serious question he has to answer. There seems to be a dichotomy in the words used by the Prime Minister and other members of the cabinet. The Prime Minister is saying 'per year' and I understand another minister is saying it is for 'the year'. In addition to that, there is also a rumour floating around that the estimates and the calculations are showing that that figure of \$6 could rise to something like \$38 by 2019.

**CHAIR:** We will not deal in rumours.

**Mr McARDLE:** You can link it to Europe but you cannot control the European price.

**Mr PITT:** That is a market mechanism; that is the point.

**Mr McARDLE:** That is the danger. If you pick an economy like Europe that is in the doldrums at the moment, if it booms see what happens.

**Mr PITT:** Whilst you have raised some interesting points, you still have not answered the question about the household assistance package.

**Mr McARDLE:** We have a statement by the Prime Minister that says (a) will happen but there is now a serious concern about whether it is (a) for a short period of time only. I think that is the real crux of it.

**Mr PITT:** With respect, the question I am asking is about the household assistance package. It seems to be conveniently left out of all of the discussions. The government has attacked the federal government—

**Mr McARDLE:** I do not ever recall the Prime Minister raising that as an issue either.

**Mr PITT:** I am simply asking about the household assistance package.

**CHAIR:** I am encouraging free-flowing questioning, but this is not the place to debate those issues. Do we have another question?

**Mr PITT:** I have asked a specific question about the household assistance package and I am asking the minister to address that.

**CHAIR:** As you are aware, the minister is able to answer the question as long as it is relevant.

**Mr McARDLE:** Let us look at this. A report in the *Brisbane Times* indicates that 800 public servants in Canberra are to lose their jobs as a consequence of this.

**Mr PITT:** This is all entertaining, but I am asking you—

**Mr McARDLE:** What you are saying is that the home assist package is going to kick in. I am saying, 'Wait on, what about the cost of this so-called reduction in the carbon tax to the ETS?' Some 800 public servants are reported as part of the cost involved. What about their families.

**Mr PITT:** Do we really want to go into how many public servants have been sacked?

**Mr McARDLE:** Absolutely. We can talk about the cost of the Queensland Health payroll system until the cows come home, if you want to.

**CHAIR:** Can we restrict ourselves to portfolio matters that are before this committee.

**Mr PITT:** I am happy to. I did not raise the issue of the carbon tax, the honourable minister did.

**Mr McARDLE:** Did you raise the issue of the cost?

**Mr PITT:** I simply ask again: do you acknowledge that there is a household assistance package in place that is servicing the majority of homes?

**Mr McARDLE:** I acknowledge that there are—

**CHAIR:** Member, the minister is able to answer the question in any way he believes is reasonable. You have been repetitive in the questioning. I now ask you to ask another question.

**Mr PITT:** Thank you very much, Mr Chairman. I wish to turn to the sale of regional generators. With reference to page 2 of the SDS, I refer to recommendation 23 of the Independent Review Panel on Network Costs and the recommendation to close small generators with eight to 15 employees across the state. Minister, will you be able to confirm whether this recommendation has been accepted and is in fact being implemented?

**Mr McARDLE:** Can I clarify one point here? Are you saying to close or sell?

**Mr PITT:** To close, for which there is an assumption of sale.

**Mr McARDLE:** Do you mean depots or generators? You mentioned generators, too. I do apologise. Can I get a clarification of the question?

**Mr PITT:** Sale of regional generators, so small generators with eight to 15 employees. I point you to recommendation 23 of the IRP.

**Mr McARDLE:** Okay, the regional and remote depots—

**Mr PITT:** Yes. Sorry for the confusion. This is a very straight question, Minister.

**Mr McARDLE:** Yes, I appreciate that. I think it is quite clear. We made a statement in the government response that we would consider the best way to service people in remote and regional Queensland. I think we are paying a CSO of some \$100 million for 33 remote and regional sites. The thing is: can we do that better? Can we provide the people who live in those regions with as good a quality of service without having to pay that sort of money? We certainly have not made any determinations. Consideration will be given to it in the context of the total plan and we will then come to a conclusion after all the facts are considered, and that will of course take into account what the impact will be on the local population, the local economy and also other factors associated with that sort of matter.

**Mr PITT:** I do have some concerns about what it might mean for jobs in communities in regional Queensland like Bowen, Mount Isa, St George, Stanthorpe and Charters Towers. I also have concerns about the Indigenous communities in Queensland. I am concerned that there may be some insecurity of jobs in those areas. Can you elaborate on that? I am just concerned about what this might mean for the jobs in those areas and if you could provide some sort of commitment today.

**Mr McARDLE:** I was up in the Torres Strait, on Thursday Island, just recently and I met some of the Ergon employees there. They have wind turbines and of course diesel generators. The government would be cognisant, as any government would, of the impact on employment levels in closing down or shifting or changing any of these generation sites, so we would take that into account.

**Mr PITT:** Is there criteria for that assessment? Have you got criteria in mind as to how this will be assessed going forward?

**Mr McARDLE:** That is now being looked at by the committee that has been formed, and we will move forward with a plan to understand all of the implications. I think it would be wrong to say that we would not take into account the impact upon the economy of closing these down, because we understand very clearly that in some of these very small areas the bulk of the population is contained directly or indirectly in the employment in these generators. For example, you may have three or four male or two female and one male who have spouses or partners and they may have children as well. If we are not careful, we will find that closing these generators down actually closes the school down as well.

**Mr PITT:** Correct.

**Mr McARDLE:** And that is what I am concerned about. I share your concern. Therefore, we would be cognisant of the fact that we need to understand the full implications, both socially and economically, of doing that.

**Mr PITT:** Minister, I draw your attention to page 4 of the Capital Statement. I am comparing the figures for actual expenditure in 2012-13 with the budgeted figures on page 4 of last year's Capital Statement. You may not have that handy.

**Mr McARDLE:** I do not have that with me at the moment.

**Mr PITT:** I know that there was a capital underspend of approximately \$60 million in the energy generation sector for 2012-13, an underspend of \$53 million in the energy transmission sector in 2012-13 and an underspend of \$194 million in the energy distribution sector. That is a massive underspend of \$300 million in the capital budget. It raises the question about how it is being managed. It is a big underspend. You may be able to provide an explanation for it.

**Mr McARDLE:** Is that the department or one of the corporations you are talking about?

**Mr PITT:** Sorry, I have to go back to my own notes.

**Mr McARDLE:** I think it might be a corporation you are talking about.

**Mr PITT:** Yes.

**Mr McARDLE:** And which corporation are you talking about?

**Mr PITT:** This is overall. This is the total. This is across all sectors: it is the energy transmission sector, it is the energy distribution sector and it is the energy generation sector. The underspend accounts for about \$300 million.

**Mr McARDLE:** I will take it on notice, if you don't mind, and get back to you. It might well be something we need to get one of the CEOs of the GOCs to look at.

**Mr PITT:** I would be pleased for you to take that on notice. We are just curious as to why this underspend would be there. It is an awful lot of money.

**CHAIR:** Just so the committee is clear, Minister, you will take that question on notice. Member, if you can provide the secretariat with that question, that would be great.

**Mr PITT:** Yes.

**CHAIR:** I call the member for Mount Isa.

**Mr KATTER:** Minister, in the 30-year strategy—

**Mr McARDLE:** Which one?

**Mr KATTER:** In the statement on water supply services through effective planning and policy there was no mention of funding for investigation or feasibility of any dams, proposed plans for a lot of the irrigation schemes that exist or the irrigation scheme that exists in my area. I am just wondering how that is reconciled with the intention to increase agriculture if we have that 30-year strategy and there is no investment there to investigate or to build any dams.

**Mr McARDLE:** I think the document you are looking at is a directions paper at this point in time. It is certainly not the end result of what we are trying to do. What we have done is go to a very high strategic level as to what water planning needs to be across the state and take what I think is a high-level approach. Then we will start drilling down as to what needs to be undertaken in relation to various areas. For example, the use of catchment water across a range of shires might be a better way to control it as opposed to individual shires having control of a water source within the catchment. So what I am saying is: let's develop the plan first. Let's understand that it is important to consider the high-level strategy then drill down.

One of the things the government has a plan for is to double our agricultural crop within a period of 40 years, and that will take an enormous amount of water. But it may not take that much more land, per se, because I think one of the things you and I may agree on is using the land we have more efficiently before we start opening up new land. We can then look at different irrigation methods to use that land more productively and then move elsewhere as well. It might well be that construction of dams is something down the track in a 30-year strategy that we will consider.

In fact, I remember that after our conversation during one of the sittings I met with the Etheridge Shire Council—the mayor and the CEO. We had a lengthy conversation in relation to their plans, and they raised the spectre of a developer—I use the word in a broad sense—putting in \$2 billion to develop a massive cane farm within the shire. That would need a massive amount of water. Those sorts of plans I think had been reported in the newspaper as well.

**Mr KATTER:** Yes, it had.

**Mr McARDLE:** I am not breaching any confidences. So that sort of issue would be a trigger for me to look at what we need in the area. What does SunWater, the Department of Natural Resources and Mines or the Department of State Development, Infrastructure and Planning have to do as well to look at developing that sort of resource? That would help in many ways. It would develop the economic base of the shire. It would give better income to families who are locally based but also give us a larger export trade. There are problems with that with regard to rail connections, as you are quite well aware. It is a long way away from any port or port facilities. That is a long way of saying that it is looked at on a strategic level to begin with and then we will start to drill down to what we need to do.

**Mr KATTER:** I appreciate what you are saying. From my understanding of what you are saying, I felt that it should have existed in the statement. If we are talking about dams, certainly there is some potential for that up in the north. There was a discussion paper that came out from the federal opposition that signalled an intention to do that.

**Mr McARDLE:** Senator Barnaby Joyce.

**Mr KATTER:** Yes. That came out in that white paper. So I felt there would be some scope to have that discussion. I just look for some positive feedback from you that that should be included in a strategy moving forward.

**Mr McARDLE:** I think you are confusing a directions paper with a final paper. Senator Joyce's paper is a final paper: what they are going to do. Ours is a directions paper as to what we are looking at and what the issues are. When we get to a final paper or an implementation plan it may well incorporate exactly what you are talking about.

**Mr KATTER:** I accept that.

**CHAIR:** Can you give the committee an idea of the time frame as to when we may see that final paper being put forward?

**Mr McARDLE:** The final 30-year water paper will be early next year.

**CHAIR:** Member for Mount Isa, do you have any further questions?

**Mr KATTER:** No.

**CHAIR:** Member for South Brisbane? No. I call the member for Sandgate.

**Ms MILLARD:** Minister, how do we here in Queensland compare with the other states with regard to electricity pricing?

**Mr McARDLE:** There has been a lot of debate in regard to electricity prices across the eastern seaboard. The price of power has gone up over the last number of years. There is no question about that. No matter how low we are in the rankings, if I can use that term, it is still not good enough. In fact I have been presented with figures today, and I will run through them. Starting with Queensland, the median bill per year is \$1,451; Victoria—Melbourne CBD, \$1,394; New South Wales—Greater Western Sydney, Illawarra region, \$1,433; New South Wales—Sydney, Hunter, \$1,453; Victoria—eastern Victoria, \$1,659; Victoria—northern Melbourne suburbs, \$1,670; Tasmania, \$1,568; Victoria—Melbourne southern suburbs, Mornington Peninsula, \$1,611; Victoria—western Victoria, \$1,738; New South Wales—regional New South Wales, \$1,778; South Australia, \$1,792.

There is a distinction between the states. We are not as expensive as other states but we are expensive. There is no question about that. I believe that we can do better than that and, though comparisons are nice to look at, with respect, it does not help the family on a fixed income or the family on a pension achieve the outcomes they need for their child, their family or themselves. So though we may have a rating here in front of me—and I do appreciate the question—I always believe that ratings should be seen as relative to the individual state, and I think Queensland has a lot more work to do in regard to power prices and preventing spiralling costs in the future.

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

**Mr HART:** Minister, my apologies: we are chopping and changing here a bit. I have just a couple of questions. I want to go back to the Gold Coast desalination plant and the western corridor recycled water system. Can you tell us how the present government is managing the ongoing operational costs of manufactured water?

**Mr McARDLE:** All right. I think what the government has done is undertake a detailed study into what the costs should be, given that we acknowledge both items may well become important in the future. I believe quite clearly that, when you consider the drought that we have been through in the past number of years, we see that this state will move from drought to flood and from flood to flood and maybe to a drought again very quickly. So I acknowledge openly that at some point in time these items may well become important to supply water, although hopefully not for many, many years.

But let's be real about this. The changes in the operations of the desal plant for emergency purposes will reduce the annual costs from \$24.7 million to \$15.6 million, thereby saving \$9 million. In relation to the shutdown of the western corridor, the operating costs will come down from \$30 million to around \$11 million once it is shut down. That is still a lot of money, but, again, I do repeat it is important that these assets remain operational at least in the sense that, if they are called upon later and can be used, they can be put back into play. But I say over and over again: it was tender by invoice, it was a lack of planning, it was slammed by the Auditor-General and it really should be condemned for what it is—that is, an absolute debacle in the process of spending taxpayers' money without a plan.

**Mr HART:** Given the cost of these two very valuable assets, do you have any plans to further optimise their use?

**Mr McARDLE:** I would have to say at this point probably not. One thing that has been proposed to me is whether or not we can use the corridor pipeline for irrigation purposes out in the Scenic Rim and Lockyer regions. That has certain attractions, but at this point I have not been given a proposal along those lines. It may well be a 'taken by' proposal. I can almost guarantee the state would not be bearing the costs associated with the infrastructure and other costs with regard to the delivery of that water. The pipeline water can be used for irrigation purposes at this point with minor cleaning of that water as well.

**CHAIR:** Just on that, at what price would it be available for irrigation purposes?

**Mr McARDLE:** We have not even considered that. It is just a proposal I heard floating around. It might be an issue coming forward, but there is no government proposal to look at that at all.

**Mr HOLSWICH:** It will come as no surprise to you that I want to ask some questions about North Pine Dam this afternoon. You would probably be disappointed if you did not get those questions from me.

**Mr McARDLE:** I would be shocked.

**Mr HOLSWICH:** I want to talk about the consultation process relating to the recreational management of dams that is taking place at the moment, particularly in relation to North Pine Dam and Lake Kurwongbah—and I believe the consultation period starts today. What are the issues that need to be weighed and balanced in this process before making a decision about potentially expanding recreation on these and other dams?

**Mr McARDLE:** You are quite right. As I understand it, the consultation periods regarding those dams are commencing today. Let's go back a bit and look at why we do want to use dams more efficiently and more effectively. We are a nation that is suffering from serious health issues, whether it is children, middle age people or old people like myself and my friend here to the left.

**CHAIR:** Minister, that may be unparliamentary!

**Mr McARDLE:** There is no latitude allowed in decrepitude?

**CHAIR:** We still have to work within standing orders.

**Mr McARDLE:** First of all, what are the benefits of use of recreational water? You are out in the sunlight; you are out in the fresh air; you are with your family. Imagine a picnic, a party or a tent on the side of the dam over the weekend—no alcohol involved—with your family. What a great way to spend time together. What a great way to connect in this busy world of ours—out there in a kayak or participating in a team sport or other event. It is exercise for the lungs, the arms and the legs. I think the enormous benefit associated with the use of recreational dams is quite clear: connectedness of the family, exercise, an increase in tourism and an increase in the coffers of local people and the local council as well. It is a process that will go right across all the dams in the south-east corner operated by Seqwater. Can I say that Seqwater have done a brilliant job. They came together in January of this year and only a matter of six months down the track they have laid this out. We do understand that there are issues involved in certain areas. Some dams are—and clearly Wivenhoe is one—water supply dams and we need to be acutely aware of that. In relation to other dams we also need to look at the environmental aspects of the use of the dams. We certainly do not want to have large infrastructure built around the dams; that is not what they are for. It is recreational use only. It is a win-win scenario. Again, I applaud Seqwater for the work they have done in making it possible. The more people who come along to these meetings and make submissions, the better off they are going to be and we will be as well. I see a boon for local economies.

**Mr HOLSWICH:** I will ask a supplementary question to that. The first round of consultation for Wivenhoe and Somerset has been open for a little while now. Has the response to that been encouraging so far? How has the response to that been?

**Mr McARDLE:** I might call the CEO of Seqwater, Terri Benson to the microphone to give you more detail about that.

**Ms Benson:** There has been a really good response to the forum so far. In terms of the workshop that we held last Saturday at Kilcoy in relation to Wivenhoe and Somerset, we had just under 50 people there and a really good discussion. In terms of the online surveys that we have been running, 300 people have undertaken the online survey and 50 community members have taken part in that workshop, as I said. So we are getting a really good response. We are running information

sessions to start with in public places, in shopping centres; we are handing out fact sheets and trying to create the interest; and then we are running the more detailed forums where we discuss the options and what community members want. That is where we had the 50 people at Kilcoy. So there has been a good response so far.

**Mr YOUNG:** Getting back to electricity, I want to talk about community service obligations in relation to uniform tariff policy. I understand that we have it. I want to know how much it cost last year and a quick brief on why we do it. We talked about the other states. My question is: does it exist in other states?

**Mr McARDLE:** Just to explain what the CSO and UTP is, back in the 1960s it was determined that people across Queensland should not pay any more for their power irrespective of where they live. For example, the member for Mount Isa would understand that he is not charged any greater for electricity than I am in Caloundra. The two areas of the state are serviced by Energex, which covers the south-east corner, and Ergon, which covers the regional corner, which is where the member is from. Because of the cost of transporting, the cost of poles and wires and the fact that the population is so dispersed in the Ergon sector, the cost to the consumer would be enormous if they had to pay the true cost, or the full cost, of the power. In the 2013-14 year we are paying a total of \$638.1 million by way of what is called a community service obligation. That is a payment made to Ergon so they do not have to charge the full cost of power that you would bear, the member for Mount Isa would bear and the member for Mulgrave would bear for being outside the Energex region. It is important to understand that that is a commitment that has been made by successive governments, both ALP and LNP, since about 1966. It is a good system. It means everybody is on a level playing field. It is of course a commitment that is met by the budget on a yearly basis. I have a suspicion in the back of my mind that the 2014-15 CSO is actually going to be about \$700 million whereas this year it is about \$638 million. So it is going upwards as time goes by.

**Mr YOUNG:** The second part of the question was: do the other states do it?

**Mr McARDLE:** I know that New South Wales does not. I do not know about other states across the nation.

**Mr PITT:** I refer to your answer to non-government question on notice No. 1 and I note the fact that councils failed to meet the standard for monitoring E. coli in drinking water at some point in the past year. They are predominantly in rural and regional Queensland. Of course, Aboriginal and Torres Strait Islander councils are disproportionately represented on that list. I also note from my experience as minister overseeing Indigenous partnerships that these councils have a limited resource base and certainly a limited rates base to deal with some of those matters. I ask: what steps has your department been taking to ensure compliance so that all Queenslanders have access to clean and reliable drinking water?

**Mr McARDLE:** I might ask my director-general Jon Black to answer the question.

**Mr PITT:** I am happy for you to pass that on to him.

**Mr Black:** Yes, the state government does not have the direct responsibility—as you know, it is the local government authority—to maintain those standards; we have the regulatory function, as reported. We are providing a series of programs to assist where we can with that. However, we do recognise particularly the skills shortage that you referred to in those smaller communities where, because of the lack of scale, they cannot afford to necessarily employ those people on a full-time basis. Through the 30-year water strategy we are intending to look at options for improving and enhancing the capability that those councils have so that over time we can improve the performance. It is important to recognise, though, that the reporting regime and the requirement for drinking water quality management plans have seen an improvement generally across the board. But as you are saying, it is a question for us to make sure we provide the framework for those councils to undertake their responsibilities.

**Mr PITT:** While I have you here, Director-General, the answer to non-government question on notice No. 8 tries to elicit when the government decided not to proceed with the election promise to pay off water grid debt over 40 years. I am not asking you to comment on the election promise itself. Has your department had any role in providing advice to the minister regarding the decision to not proceed with the 40-year path? When did you become aware that the decision to not undertake that had been taken?

**Mr Black:** The department has provided advice on options and the impact and financial modelling of all scenarios that the government requested of the department.

**Mr PITT:** Another aspect to that question on notice was about the level at which debt was forecast to peak under a proposal to pay it off over 40 years. It is my understanding that extending the repayment period would have resulted in a higher level of peak debt. Could you advise what level the debt would have been at under that plan? Was that part of your advice to the minister?

**Mr Black:** Yes. I might ask my deputy director-general if he has that figure at hand.

**Mr PITT:** If you do not have it at hand I am happy for you to take that on notice.

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

**CHAIR:** You will be taking that on notice for the committee and you will provide that question?

**Mr PITT:** Certainly.

**CHAIR:** Only the minister can take the question on notice.

**Mr McARDLE:** I will take it on notice.

**Mr PITT:** Mr Black, in relation to water sector reform, which is mentioned on page 2 of the SDS, the savings from the amalgamation of bulk water entities in conjunction with the rest of the LNP's four-point plan to lower water bills, as we have talked about, included the 40-year debt repayment path. It was supposed to save enough money to pay for the ongoing \$80 a year saving on water bills. I am interested to see how much money has been saved from the amalgamation of the bulk water entities since its implementation?

**Mr Black:** If I may, I request the minister to ask the chief executive of Seqwater to provide the answer. I do have some figures but it might be useful to have—

**Mr PITT:** Is it possible to call her?

**Ms Benson:** Are you interested in the savings in 2013-14 from the amalgamation?

**Mr PITT:** The savings since its implementation.

**Ms Benson:** It has been a busy six months. The forecast for 2012-13 is a result that is \$91 million better than the combined budgets of the previous entities. That is for the 2012-13 year. We are seeing those savings coming from consolidation of activities, removal of duplication and going to market on some of the medium and smaller contracts. For 2013-14 we are seeing the savings shift in terms of some of the longer term numbers in terms of bigger contracts. We are seeing those savings there: the \$80 million reduction compared to the combined budgets of the previous entities. Those savings combined with capital reductions are taking the interest expense down by about \$20 million in 2013-14 compared to the combined entity.

**Mr PITT:** Thanks very much for the response. Minister, we talked earlier about the election commitment document around the cost of living, which I have tabled. It talked about an ongoing saving of \$80 a year on water bills at the last election. You referred earlier to whether something with a new commitment was for one year or for several years. Again, I come back to the fact that that election commitment talked about \$80 for one year, not \$80 just for 2012-13; it was ongoing. It said savings were set for each year or a year. Can you explain why that ongoing saving is not forthcoming, given that is what you told the people of Queensland you were going to be doing?

**Mr McARDLE:** It is important here to explain the background as to why this particular payment was made. We know—and I have explained before—that we have had a massive debt with regard to the water grid and also the assets contained within that grid including the desalination and the pipeline. That debt totals something like \$7 billion at this point.

The total debt in regard to Seqwater is about \$9 billion, so there are people in the south-east corner of Queensland who are bearing that debt on an ongoing, yearly basis. There is no doubt that the fact of the rushed and mismanaged construction of that water grid led to a massive blow-out in that debt level. We recognised that these constant increases in water bills were unsustainable, and we acknowledged that the issue in relation to providing relief for people was essential. We determined that that would be by way of a payment of \$80, with an assistance package from the Gold Coast City Council as well of about \$10 per household down there. The cost of the rebate was around \$90 million all up. I think about \$87 million has been spent at this point in time. There is about \$3 million left over.

Also, as was explained earlier, we pay a CSO subsidy and a water subsidy via SunWater to the balance of Queensland totalling well over \$600 million. This does not include ongoing work that we are undertaking. For example, in relation to power prices for irrigation schemes we reduced that from around 20 per cent to about 10 per cent for a 12-month period. That was to assist irrigators to get a

better deal in relation to the costs they incur by way of the irrigation systems. In addition to that, as I explained on the last occasion we met in this forum, we are now at stage 2 of the local management authorities across the eight irrigation schemes in regional Queensland. So we have acknowledged that there has been a problem with the cost—not just here but also across the whole of Queensland—and have put in place a number of steps to assist in driving down those prices.

We have also put in place the 30-year plan to look at what we can do on a long-term basis in regard to both water prices and electricity prices. I believe that this government has taken a very responsible attitude in that, again, we are looking at the drivers of the problem and the solutions to the problem and, more importantly, working with the community at various levels to try and get a long-term outcome.

My meetings with Canegrowers and QFF have been very beneficial of recent times. They acknowledge the work that is being put in by the government across these sectors. I think we do need to acknowledge that these farmers across the state and others need help, and the government can introduce that.

**Mr PITT:** Minister, I want to go back to the fact that this was a commitment for an \$80 saving a year, and that implies it will be ongoing. Queensland households are paying \$49 a year more, and of course there is also the implication that this was not only for South-East Queensland but for all Queenslanders. The question would be—

**Mr McARDLE:** You are making an accusation here—

**Mr PITT:** No, I can table the document where it actually says ‘a year’.

**Mr McARDLE:**—of bulk water charges going up \$49.

**Mr PITT:** \$80 a year.

**Mr McARDLE:** That was the price path your government put in place using a consumption figure of 230 litres per person per day. It has never been anywhere near that, since—

**Mr PITT:** \$80 a year, Minister, is what you promised Queenslanders.

**Mr McARDLE:** It has never been anywhere near that, and you try to sheet home to this government a \$49 increase based upon an calculation you have used with rubbery figures. It is absolute rubbish.

**Mr PITT:** Your word is your bond, Minister: \$80 a year for households.

**Mr McARDLE:** It is absolute rubbish.

**Mr PITT:** That is my question. Ongoing savings is what was expected.

**Mr McARDLE:** We made the commitment that we would pay the \$80 in the south-east of the state. We have done so. We have also continued to make the payment of the CSO, and also the CSO for SunWater to assist in regard to irrigation prices being driven down to 10 per cent and also local management authorities. We are getting on with the job.

**Mr PITT:** I say again, Minister, if you—

**Mr McARDLE:** We are getting the problem solved by working with the community.

**Mr PITT:**—are not going to deliver it, do not promise it. Do not promise it if you cannot deliver it, because that is what Queenslanders expect.

**Mr McARDLE:** We have put in place a regime and a process that is going to get a long-term solution. Can I make this point: under the former Bligh and Beattie governments nothing happened. Nothing happened. In 16 months this government has taken this whole process by the scruff of the neck and made it work. We have made inroads, we have made the cuts and we are going to make the determinations and the decisions, and nothing is going to stop this government from getting outcomes for the people of this state. It is more than the Beattie, Bligh and other Labor governments did in almost 23 years.

**Mr PITT:** To continue on a similar theme but moving to electricity, comments were made by the Premier in February in relation to power increases. He said—

The government might have to subsidise, in fact probably will have to subsidise it, but we're determined to find a way to ensure people don't get hit with a doubt-digit increase.

He goes on to say that the details will be forthcoming at ‘another day, another time when we've done the work ...’. That never eventuated because there was still—

**Mr McARDLE:** Was that power or water, sorry?

**Mr PITT:** We are back on power. That never eventuated. There was a promise that details would be forthcoming and that there would be a way to fight the double-digit increase. That was not forthcoming. Minister, why were these details never forthcoming? Has your government acted again without thinking and promised something it could not deliver?

**Mr McARDLE:** I think you will find that, almost from the day we came into power, in April or May we put in place the IRP.

**CHAIR:** For the benefit of the committee, the IRP stands for?

**Mr McARDLE:** Independent review panel. It was made up of Tony Bellas, Matt Renny and Alec Faulkner—three men of exceptionally high intellect and knowledge in the power sector. That happened almost from day one. They were charged with taking apart the network costs and finding out what we could do. Member, with respect, your opening comment, almost word for word, was that the power sector is a very complicated area—

**Mr PITT:** I stand by that.

**Mr McARDLE:** You and I could not agree more on that. These men looked at that closely, because we determined that, though we could make a move in year 1, we had to do long-term strategic planning, and that is exactly what we have done.

**Mr PITT:** Minister, this is not about year 1—

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

**Mr PITT:** This is about—

**Mr McARDLE:** It is about planning for the future. You are talking about the future. You are talking about a commitment to making a change, and—

**Mr PITT:** Exactly right. You have just hit the nail on the head. We are talking about commitments. And there have been several commitments made and it does not appear that those have been followed through.

**CHAIR:** I think if we allow the minister to answer the question we may just get some agreement there. There seems to be some common areas. Minister, if you would like to continue.

**Mr McARDLE:** What we are simply making quite clear is: we made a commitment to take this industry, look at it and put it back together again in a manner that would drive not only the domestic consumer's wallet but also business. As I said before, I am not going to sit here and do the same thing over and over again. That has resulted in nothing but misery. We have to change it. We have to shake it up and make it happen. I think the IRP and the IDC—an inter-departmental committee chaired by my director-general, Jon Black—have done a phenomenal job in that period of time. They have done a mountain of work to get this together, and we do not intend to move from that. We intend to push forward with that and try to get the outcomes that we know we can achieve.

I add: I really want the incoming federal government, whichever party it may be—I do have a bias, however—to look at the green schemes, look at the subsidies and look at the carbon tax in whatever model it is. We can argue back and forth, but there is a cost associated with those schemes that is being passed through to the consumers. There is no doubt about that. So we can do what we can do, but I am saying to whoever might be the relevant minister for energy and resources at a federal level that we want them to come on board as well and look at these factors.

**Mr PITT:** Minister, yesterday you announced the tariff reform working group. I am keen to find out whether there will be any representatives on that group from the community welfare sector. Obviously they are a critical element in terms of households that are experiencing the current 22.6 per cent power bill increase.

**Mr McARDLE:** Do you mean QCOSS or people like that?

**Mr PITT:** Yes. Can you shed some light—pardon the pun—on whether there will be any community sector representatives? It is a critical element, and I am keen to hear your thoughts.

**Mr McARDLE:** As I have said before, the consumer must be part of the journey. Having their knowledge is important in one form or another. I will ask the Acting Deputy Director-General of Energy, Mr Benn Barr, for a few comments about that.

**Mr Barr:** The community groups are not on the working group, per se, but they are going to be consulted as the working group moves forward, along with retail organisations and other key stakeholders.

**Mr McARDLE:** I would add to that. As I said earlier, I think we in this state need to start engagement moving forward with community consultation groups of whatever sector—from the highest to those who represent those who are less fortunate than perhaps you and I. Without them, this plan cannot work.

**Mr PITT:** There is no scope to include them on the working group, though?

**CHAIR:** That question will have to go through the minister.

**Mr PITT:** I am happy for anyone to answer it. I was just continuing the dialogue with Mr Barr, but I am happy for the minister to answer it.

**Mr McARDLE:** It would be my desire that they be an intimate part of the discussions going forward. Whether they form part of the group, given the detailed work that has to be undertaken at that level, is a matter for the individual group to look at. But I would have thought they would be very important in moving forward in the process.

**Mr PITT:** I will talk to you further about that offline. I think it is a very important—

**Mr McARDLE:** I think you and I will share common ground on that point—very much so.

**Mr KATTER:** Minister, I have a question regarding energy. The onset of the LNG industry next year is likely to force up domestic gas prices on the east coast. Under the 30-year strategy, what investment or strategy is in place for the government to offset or address the lack of any quarantined supply for domestic industry use?

**Mr McARDLE:** That is clearly a question about the domestic gas situation in this state and the impact of the international market and international contracts signed by the major players. There is no doubt that this government will not consider for one second a reservation policy. We are not going to say that these players must put part of their gas aside for domestic use for the simple reason that that simply defeats competition and puts sovereign risk squarely within the sight of the major explorers and major developers.

Having said that, the government is concerned about the tightening within the market. We expect the tightening to be of about three to five years at this point in time. We have been given certain indications by the domestic players that they are finding it very hard to get contracts. We have been advised by the major players—the developers or international players—that they are offering contracts. I wonder sometimes whether it is not because for so long the domestic players have had the whole ballpark to themselves that there is a paradigm shift in that contractual arrangement moving forward.

We are looking at it on a regular basis. In May of this year the federal government announced that they would undertake a full study into exactly what the situation is and potential solutions. The federal government are looking at that at this point in time. I think their report is due in about November this year. It was to be post the election date—which is now up in the air, of course.

The Americans have a system—and I think the Europeans do, too—whereby the government actually has to issue an export licence. The government in America can control what leaves or stays within the country. I understand that other countries have a similar system, and an export licence can contain a clause that a portion thereof may well have to be used on a domestic basis. That is not something this state government can do or is looking at at this point in time.

There are competing claims about the value-add of domestic gas. I have heard some figures that the economy in regard to domestic gas has a domestic-add value of 20 times. That is a significant figure if it is right. I have heard figures that are a lot less than that as well. So we are still in a position of understanding what the impact is going to be, but we are mindful that there will be an impact of a major problem. If it does happen, we need to move to correct that as best we can.

So we are aware of it. There is no reservation policy, but we are keeping a very close eye on what can happen. The global market in gas at this point in time, given the American capacity to export into the Asian field, is enormous. If those 18 contracts that are still left and other contracts supplied into the Asian market, by the time our international contracts expired there would be a major drop in gas supply or gas price in this state. But that is some time away.

**CHAIR:** Member for Mount Isa, do you have any further questions?

**Mr KATTER:** No, thank you.

**CHAIR:** I call the member for South Brisbane.

**Ms TRAD:** Minister, in your opening remarks or in response to one of the questions from one of the government members I think you alluded to shale gas being part of the energy mix in the future. Is that correct?

**Mr McARDLE:** I do not recall saying that, but shale gas might be a thing to look at in the 30-year strategy. Do not forget that what we are trying to do here in the 30-year strategy—that is what is on the table—is discuss what could be used but understanding that there are implications and complications with that. For example, the question of whether you have to frack is a concern. I know about the American experience. I have been advised that we do not use fracking here to anywhere near the extent that is done in America. I recall, with all due respect, watching an ABC show just this afternoon before coming here and—

**Ms TRAD:** You were not watching estimates?

**Mr McARDLE:** I had latitude not to do so. The point is this: the American technology is now developing to an extent that it may well be that that will not be as big a problem as it has been. I am not expert in that; I do not know how big it is in America, nor can I gauge or do a peer review on the science in that area. But I think in a 30-year strategy it is important to look at what is possible and then to eliminate those that cause either social or environmental or other problems as well and get the mix right moving forward. We always have to be mindful that technology, as I said in my opening statement, is so important. For example, that item there is not a mobile telephone; it is an iPhone. That did not exist five years. So what will technology develop in 10 or 15 years time? I am keen to look at it and look at what we can do, bearing in mind that a lot of this falls under the bailiwick of Minister Cripps as well.

**Ms TRAD:** I understand. Minister, I get the sense that in terms of the 30-year strategy nothing is off the table.

**Mr McARDLE:** No, I think you are looking at a 30-year strategy. We are here looking at a discussion paper. The strategy will come down to consultation with people such as yourself, and I am still very keen to read the ALP submission about that, which I might not hold my breath for, I suspect.

**Ms TRAD:** I assume you could write it, Minister.

**Mr McARDLE:** I will tell you who did, though: the ETU did a brilliant one!

**Ms TRAD:** While you are watching the ABC, perhaps you can write it.

**Mr McARDLE:** The ETU did a very nice paper on that. I read it this morning from cover to cover and I wondered whether they were supplementing yourself in relation to a submission. However, at the end of the day—

**Ms TRAD:** I can assure you, Minister, that the ETU needs no supplementation.

**Mr McARDLE:** They do. They have some wonderful ads out at the moment as well, but we will not go into that at this point in time. I am harking back to another time—another century, in fact, drawing an analogy. But I think the idea clearly is that this is not a policy paper; it is a directions paper and a discussion paper. If you want to turn a blind eye to what could happen in 30 years time, that is your call. But, with respect, a government should never do that.

**Ms TRAD:** No, there is no suggestion that anyone is turning a blind eye.

**Mr McARDLE:** Thank you.

**Ms TRAD:** But if everything is to be considered, then I am questioning whether or not you completely ruling out nuclear energy was actually accurate earlier, Minister. If everything is in the mix for consideration in terms of a community discussion, then is it to be taken on face value and is it accurate that nuclear energy is not in the mix?

**Mr McARDLE:** No, no. The discussion paper quite clearly indicated that we wanted to look at a 30-year horizon. I believe that we are being open, we are being transparent and that is an energy source in the globe, across the world.

**Ms TRAD:** Yes, I do understand that.

**Mr McARDLE:** Why don't we have people who want to talk about it raise it with us? That does not mean that it is going to be picked up. Why would the member be concerned about discussing a topic? Why would a member be concerned or worried about even the thought of a discussion? That worries me. That worries me, because—

**Ms TRAD:** Minister, I assume that is not a rhetorical question because I am very happy to answer it in the free-flowing discussion we are having, Mr Chairman.

**Mr McARDLE:** What it does is it shuts down the capacity for people to have an opinion.

**Ms TRAD:** No.

**Mr McARDLE:** That might be the old ETU way or it might well be the ALP way, but we live in the 21st century.

**Ms TRAD:** Minister, I am sure that you—

**Mr McARDLE:** Buck Rogers lived some time ago as a cartoon character.

**Mr PITT:** The 25th century, I think it was.

**Mr McARDLE:** No, no. You might be right, too! But I worry when a member raises a point—

**Ms TRAD:** Mr Chairman, I am not sure where he is going with this, but the point is, Minister—

**Mr McARDLE:** I worry that when a member raises the point she does not want a debate. That is what worries me.

**Ms TRAD:** Minister, allow me to—

**CHAIR:** Minister, your concern is noted, but we will allow the member for South Brisbane to ask the question.

**Ms TRAD:** Just allow me to unpack this a little bit for you, Minister. Nobody is attempting to shut down debate or—

**Mr McARDLE:** Good. That is good.

**Ms TRAD:**—have anyone express an opinion.

**Mr McARDLE:** We agree on that.

**Ms TRAD:** But I am sure that you would understand that there is a large part—

**Mr McARDLE:** Absolutely.

**Ms TRAD:**—of the Queensland community—

**Mr McARDLE:** Absolutely.

**Ms TRAD:**—that sought to get—

**Mr McARDLE:** Who have a right to an opinion.

**Ms TRAD:**—a commitment from your government. If I could finish without your interruptions, that would be fantastic.

**Mr McARDLE:** Okay. Do not forget: latitude.

**Ms TRAD:** There is a large part of the Queensland population and community that is extremely concerned that a commitment given by your government—by your Premier—both before the election and after the election on six occasions—no less than six occasions, some of which were in the parliament—that said there were no plans to mine uranium and then turned around and lifted the ban on uranium without any community consultation. The parallel in terms of a commitment given not to progress a nuclear energy industry in Queensland is important. I think it is very clear to get the government's intention in terms of a long-term electricity strategy for this state and whether nuclear energy generation is part of that mix.

**Mr McARDLE:** You made the opening comment that there are many people in Queensland who are concerned about that—that is, having the concept down the track. My point is this: they will have the right to make a comment, and I would welcome those comments. I welcome that suggestion. But I am not going to stifle debate because a member or a party feels a topic is taboo. That is just ridiculous. You and I both know—

**Ms TRAD:** It is just about being transparent about your intent.

**Mr McARDLE:** It is being transparent, isn't it? It is being transparent.

**Ms TRAD:** That is why we have estimates.

**Mr McARDLE:** It is being transparent; I agree entirely, and that is why the discussion paper needs to be open and transparent. I think we are in vicious agreement that the debate on a 30-year plan should cover all sectors. I do not think you and I are differing altogether.

**Ms TRAD:** I think there are significant differences, Minister.

**CHAIR:** Thank you, Minister, and thank you, member for South Brisbane.

**Mr McARDLE:** I think we concur on that as well.

**Ms TRAD:** Yes.

**CHAIR:** I will now give the member for Sandgate an opportunity to ask a question.

**Ms MILLARD:** Minister, what has the government done to assist those on lower incomes who may be experiencing hardship as a result of increasing electricity bills?

**Mr McARDLE:** I do thank the member for the question, and this is a very serious question. By the way, it was a serious debate with the member for South Brisbane. It is a topic that may well come up in debate down the track. We know that the price increase in relation to power has and will impact upon many people. We have looked at doubling the home emergency assistance scheme to \$10 million to help people who are in need obtain finance and obtain assistance with regard to unforeseen issues arising from power bills. We have also increased the power rebate by 22.6 per cent—that is in line with power prices—to help people cope with power prices going forward.

One of the things about Caloundra is that when I look across the demographic of Caloundra over one half of the population is 55 years and older. Therefore, it is a fairly older population base and people have made comment to me that the power price increase is one factor that they will take into account in their budget. What the government has tried to do is provide the assistance we can at this point in time to help those who are most vulnerable to achieve access to funding or benefits to alleviate as best we can that power price increase, and that will go right across the state as well. As I said earlier, there are other factors and other matters we are taking into account. But can I again repeat there are major considerations with regard to green schemes that do need to be looked at very closely by both state and federal governments. At this point in time we have deliberately gone out to assist those we can who are vulnerable but understanding that what we are doing is a short-term solution when long-term solutions are definitely required moving forward.

**Ms MILLARD:** As a follow-on question from that, are you able to indicate the current rates of disconnections for electricity in 2013-14?

**Mr McARDLE:** Yes, I can. In fact, by way of comparison, in the last 12 months under Labor disconnections were 27,194 and during the last 12 months under the LNP there were 19,572, a drop of 7,622 or 29 per cent. That has come by both Ergon and Energex—and I applaud both entities for this—understanding that engagement with people who are at risk is most important and adopting and adapting their practices to get people who are at risk of disconnecting not cut off from power going forward. For example, some of the Indigenous communities use power cards. You pay for a power card. Though I have not looked at that at this point in time, that has some attraction. I do not want to mandate that; that is simply not the way I want to do it. But there could well be an attraction in using that card, but I want to talk to QCOSS about that because I want to get their idea of what might be the downside of using cards of that nature. It is all right to look at these things in first blush and they might appear all right, but I think looking behind these schemes or ideas is equally important as well.

**Mr HART:** Minister, in the last week or so Gold Coast City Council water rates bills have started hitting mailboxes on the Gold Coast. I got mine and when people open it up they get a bit of a shock when they see it. With regard to bulk water, how do you correlate the increase in bulk water prices with the objective of lowering the cost of living? Could any alternative arrangements have been made with regard to bulk water pricing?

**Mr McARDLE:** Bulk water is an asset owned by the government supplied to the relevant distributor-retailers or the relevant council, as the case may be. We know that the bulk water charge was set at \$54 on the basis of a daily consumption per person of 230 litres. That particular consumption figure had not been reached—or anywhere near it—at the end of the drought, even to today. I think today we are at 163 litres per person per day on average across South-East Queensland. The figure of \$54 was looked at as being the price path moving forward. What we were able to do is use savings within Seqwater to offset that price to drive the price down from \$54 to \$49. That is it in a nutshell, but there is a lot more involved in that process.

We, however, will need to continue to charge a bulk water price into the future. The amount of \$49 will be the price for 2013-14 and 2014-15 and then it will be reviewed again thereafter. This is to get all of the councils on equal footing moving forward until we start dropping the debt level down that is owed as a consequence of the water grid. With respect, the debt that we have incurred is a debt that we have to pay down over time. The price path is a period of 20 years and we will then over that time pay that debt down. We have no option but to do that because the debt on the water grid must in fact be met. I indicate to you as well that Seqwater, which supplies the water, actually incurs a loss in relation to supply of bulk water to the population as a whole. So the debt exists. We have to charge for it, and we will do so over a 20-year time line.

**Mr HART:** The Gold Coast City Council rates bills are showing state government bulk water charges as a separate line item so that people can see what the increases have been. If it had been business as usual or, heaven forbid, we still had a Labor government in this state—

**Mr McARDLE:** Do not be disgusting!

**Mr HART:**—do you have any idea what sort of increase we may have been seeing in those bills?

**Mr McARDLE:** That would be impossible for me to quantify and I would not like to even guess at that. Let us just say that we are going to have debts and bulk water charges for the next number of years in any event. What Councillor Tom Tate does on his water bills is entirely up to him. We know that we have to pay the debt down and, unfortunately, it is going to be paid by people in the south-east corner of Queensland.

**Mr HOLSWICH:** Minister, I want to talk about the weather situation and the rising dam levels in January of this year in North Pine, Wivenhoe and Somerset dams. To use the North Pine Dam example, there were similar rainfall numbers this year as there were, say, in 2011 when we had a similar situation and yet the downstream impact was completely different this year compared to 2011. What steps did you take as minister to approach this issue of dam levels and dam releases? How did that differ from what had been done in the past?

**Mr McARDLE:** I want to be fairly careful here, because there could well be litigation in regard to 2011. It may still be filed against the government, which we are at this point in time. Can I make a point, however. One of the things that I think this government did very successfully was combine the water entities into the new Seqwater. In days gone by, I am reliably informed that to get a drop in the full-supply level the documentation took up to about two weeks to reach the minister. What we did, under the control of my DG Jon Black, is cut that down to 12 hours. So we can now get a report on the full-supply levels and temporary full-supply levels within 12 hours.

We were notified by the Bureau of Meteorology that there was likely to be a major weather event coming down the coast. Oswald was a cyclone. I have lived here all my life. I have never seen a cyclone come inside across land and cut down like that. I have seen them come in and out but never travel down the coast as this one did.

We were advised, I think—I might be wrong here—on the Wednesday morning that that was going to be a problem. I then contacted my director-general and we started the procedure, in conjunction with Seqwater, to look at what temporary full-supply levels should be. At that point in time the dams were around about 91 per cent—Wivenhoe and Somerset. I do not recall North Pine at the relevant time. It would have been about that I think as well. That documentation advised that we could get the dam levels down to 88 per cent. We knew we had only a couple of days before the deluge hit and the water started to flow into the catchment of Wivenhoe and Somerset and then create a problem if we were still letting water out of the dam at that point in time. So we took the full-supply level advice and I made the determination of 88 per cent. That water got away in time. The gates, if I can use the word, were then closed and that allowed the water from Lockyer Creek in the Lowood area to flow through into the Brisbane River and there was then no other water coming out of Wivenhoe to supplement that flow. That, I have been advised, reduced dramatically the actual water that flowed into the Brisbane River past Moggill and also past the Brisbane gauge by, I think, about half a metre to a metre at different points. That would have been the difference between a flood and no flood.

Again, I want to congratulate Seqwater. I want to congratulate my director-general and his team. Those two teams did very well. I also want to congratulate Mr Ken Sedgwick, who is the DDG of Water, and also Mr Anthony Jones of my office, because in that time line we had regular meetings—two or three meetings per day—with Seqwater in my office and we got to understand what they were saying and we got to understand what they could do with these dams. Together I think we formed a pretty good team, and the outcome may well have been quite different without that arrangement being put in place at 12 hours turnaround time.

**CHAIR:** Thank you.

**Mr YOUNG:** Minister, I return to the irrigators, because I had an inquiry from that sector. In understanding that we want to grow agriculture substantially, how is the government responding to irrigators in relation to making decisions in the local area?

**Mr McARDLE:** One of the things I was advised of when I first became a minister was that in years gone by there had been approaches to put control of irrigation schemes back into local hands. I thought that was a good idea, because I believe that people on the ground have a much better idea as to how this system works, how their crops work and, more importantly, how their community works. So with the consensus of the government, I put in place under Leith Bouilly, who is doing a

phenomenal job, the planning process and, hopefully, the outcome of returning control to eight irrigation schemes across the state. We are now at stage 2 where those schemes are, in fact, looking at due diligence—that is, the state of the assets, what funding they may need to move forward and, more importantly, how they can operate on the ground going forward.

One of the things I have made quite clear in my conversation is that if people are saying to us, 'We want to leave government control,' and they are controlled by SunWater at the moment, they should be accepting of the fact that they have an obligation and a responsibility to charge in accordance with what they need to acquire an asset base and look to the future to understand the maintenance implications and also the acquisition implications of the new scheme.

The feedback that I have so far is very positive. We are at stage 2. They are due to come back to me in about November this year, if I recall correctly, with a proposal. I think we are getting down to the nitty-gritty now, where hard questions have to be asked and people have to understand what the implications are going forward. So we are trying to get that underway and I am hopeful that by 1 July next year we will get eight irrigation schemes operating independently of the government. That, again, returns power and control to the local population.

**Mr PITT:** Minister, I refer to page 3 of the SDS and the implementation of the IDC report on electricity sector reform and in particular the recommendation to merge Ergon and Energex. Will you today give a guarantee that there will be no job losses associated with the proposed merger of Ergon and Energex?

**Mr McARDLE:** Wait on, let us go back. We are jumping the gun to say that there is going to be a merger to begin with. The merger has to be in consultation with the unions and employees under the EBA. That is a commitment by law and morally that we have made, and that will be taken on board if a determination is made to merge them. So let us assume that that process has been undertaken.

**Mr PITT:** Assuming that, hypothetically, the merger takes place.

**Mr McARDLE:** Yes, hypothetically.

**CHAIR:** I do not think we can delve into hypotheticals.

**Mr PITT:** If we agree, I believe that might be—

**Mr McARDLE:** Let us just say that a hypothetical company did A and B or whatever. These companies are operational entities in their own right. They are charged as a corporation to achieve an outcome that gets a result for the state, for their employees, for their shareholders. So we would expect them to operate in a manner that is commercial. I think that is important. These are very large entities. The combined value of Ergon and Energex is \$23 billion or \$25 billion. So we are talking here about major corporations. We would expect them to act in an appropriate manner and to understand what their actions will result in. But that is their determination, not mine. I will not be directing them in any way, shape or form.

**Mr PITT:** That was my next question.

**Mr McARDLE:** They have to work in the commercial framework, as I think the people of this state expect their GOCs to work in a commercial framework. You raised the issue of privatisation. You and I both know that you are an advocate of privatisation.

**Mr PITT:** I raised the issue of the merger. I have not raised the issue at all, actually. But if you wish to verbal me, that is okay.

**Mr McARDLE:** By another name. You are an advocate of privatisation. You embraced it. You loved it. You fell for it. You adored it.

**Mr PITT:** Minister, I will move on. You have half answered my second question. That is, if you are unable to give that guarantee that there would be no job losses—

**Mr McARDLE:** That is not my—

**Mr PITT:** I am finishing my question, if that is okay.

**Mr McARDLE:** I will not be giving them a direction.

**CHAIR:** Minister, we will allow the member for Mulgrave to finish his question.

**Mr PITT:** You said you will not direct them to retain jobs. Would that include even for a limited period of time?

**Mr McARDLE:** I would expect—

**Mr PITT:** Some sort of jobs guarantee?

**CHAIR:** Minister, we are very firmly in the realms of hypothetical here. I will give the member for Mulgrave an opportunity to recast the question in a way such that it is not a hypothetical.

**Mr PITT:** That being the case, I will move on to another question. Minister, your media statement of 16 June claimed that a merger of Ergon and Energex could save up to \$580 million over seven years. I take it that means there is a body of work that itemises and breaks down those potential savings. Can you provide to the committee what that breakdown of the \$580 million in savings might be so that we may have a better indication where the savings are proposed to be made?

**Mr McARDLE:** That figure is contained in the independent review panel report, as I recall correctly. I do not have the breakdown of that with me, but I think at the end of the day the \$582 million over a period of seven years would clearly take into account the amalgamation of the boards. We would have one board as opposed to two. You would potentially have one CEO, one CFO. You would also look at that upper management, trying to get the best outcome by way of the merger. I think a key reform is stop building the infrastructure and the network businesses. I think a combination of all of those matters would lead to that amount being saved over that period of time. I think in any amalgamation or merger—or whatever term you want to use—of two corporations you would find at that top-level management, particularly at the CEO level and other levels at that height, a refining of positions. You would also see a refining of having to use outside consultants and outside advisers. I think we have found even in Ergon and Energex the costs associated with consultancies and outside agencies—

**Mr PITT:** Minister, can I just interrupt? If there is any difficulty in getting this itemised breakdown at the moment, I am happy for you to take that on notice.

**Mr McARDLE:** That is fine. I do not need to do that. The issue quite clearly is—

**Mr PITT:** What I am saying is that I spoke to the Treasurer yesterday about so-called back-of-the-envelope modelling. I am assuming that there is obviously some rigour to this \$582 million in savings.

**Mr McARDLE:** And I am explaining to you exactly—

**Mr PITT:** There must be something in the report—some modelling or some work, I am suggesting. You are providing me an answer today. Is there a document you can produce which talks about those savings?

**Mr McARDLE:** I will refer to the director-general in a few moments time. What I did say is that there is going to be an amalgamation of two large entities. There are a lot of cost savings that occur by way of consultancy fees, by way of agency fees, by way of boards, by way of CEO and those sorts of matters over a period of seven years and they add up to multimillions of dollars and that will be the method, in my opinion, whereby we would look at that saving being arrived—

**Mr PITT:** So is there a document that you are able to provide to me, either at a later time or currently?

**Mr McARDLE:** I might ask the director-general to make a comment.

**Mr Black:** The independent review panel report, which is the public report, member for Mulgrave, has it at a very high level. They did do the breakdown but it is not in the report. The breakdown I think you are after—

**Mr PITT:** I am after a form of modelling or a body of work that we can have a look at that somehow backs up this claim of the \$582 million.

**Mr Black:** Also you might find on page 77 some of the breakdown that the report provides, but I will have to get authority to take that on notice if you want to get a bigger breakdown.

**CHAIR:** Just for clarification purposes, within that independent review panel report there is a breakdown or there is some form of a breakdown?

**Mr Black:** No, it is a high-level report that talks about the figure, and that is summarised in the report without obviously the voluminous attachments that come with it.

**CHAIR:** Minister, if you wish to take it on notice it rests with you.

**Mr McARDLE:** I think we dealt with that point.

**Mr PITT:** No. The director-general has talked about it being at high level. If it doesn't readily exist I will move on. I would be keen if you would take it on notice but that is your call, Minister. There are concerns that a merger between Ergon and Energex may mean that some of the regional areas could suffer as a result of that merger given that there might be a focus on maintaining the network in South-East Queensland. Are there any guarantees that the regional network will be maintained to a high level and if they will be, I guess, competing for funding with South-East Queensland? Currently Ergon exists as its own body. That is one of the concerns that has been raised at this stage given that there has been the potential for this merger.

**Mr McARDLE:** Are you talking about reliability or staffing levels?

**Mr PITT:** I am talking about network maintenance, staffing—probably all of those things, but if you are able to provide me with a response to that I would be appreciative.

**Mr McARDLE:** By all means. The network that runs across the state provides not just for South-East Queensland and businesses here, but it provides strategic power and strategic outcomes for businesses right across Queensland—for homes as well, for mining corporations. There is no way that we are going to enter into a position whereby we deliberately compromise standards in the Ergon sector. It would be counter-intuitive to any government to do that because when you consider the incredible wealth that is derived from the Ergon sector, to deliberately take an action that would impact upon that income coming into the state, into the families, would not be in the interests of any government so we will not be compromising. Latitude?

**CHAIR:** Yes, latitude.

**Mr McARDLE:** Latitude.

**CHAIR:** Thank you, Minister. Member for Mulgrave?

**Mr PITT:** In a recent interview with Steve Austin on 612ABC you were unable to guarantee that the proposed merger would reduce prices. This is a multipart question, but I am happy again if there are elements you wish to come back to the committee with. How will the merger impact on power prices? What modelling has been done in this area to see what savings may come or what effect it will have on prices? If there is modelling will you release it? I guess there is a concern that we are entering into the unknown here. What do you believe will be the outcome? I know I am pushing the boundaries there asking for an opinion, but at the same time this is an important issue that a lot of people are talking about and I am keen to hear what impact this may have on prices for Queenslanders.

**Mr McARDLE:** All right. I have done a range of interviews in relation to the government response to this report. For example, yesterday I was dealing with the issue regarding the Energex tariff reform of 31, 33 and 11. Every time I do an interview people tend to pick the topic and they say to me, 'Is that going to drive down prices? Is that issue going to drive down prices?' You and I both know that no one bullet is going to be found to solve this problem. We know that there are going to be a series of issues that we need to deal with, both at a state and federal level. I am not going to sit and say to Steve Austin that I am going to drive down prices by 30 per cent, because we are at the start of the process. We now have the blueprint, we now have the way forward and I believe very clearly that this will have an impact. Modelling will come as time goes by, modelling will be considered as regards how we put the pieces together. It is like a jigsaw puzzle. One piece does not make the whole jigsaw puzzle. Put them all together and you get the answer. So I cannot say that one thing alone will do it. What I can say, as I said before, is if we do not do something different we get the same outcome and that cannot be sustained in the future.

For example, when we look at the Solar Bonus Scheme that was put in place by Premier Bligh back in 2008, she and minister Wilson at the time, who was the energy minister, spoke about the issues in relation to what the solar bonus would do, the 44c feed-in tariff and the potential saving, but we are unable to access any documentation in regard to modelling of the Solar Bonus Scheme. I would love to see the modelling that was done in relation to what was the cost of the Solar Bonus Scheme, what modelling was done as to the long-term impact of the Solar Bonus Scheme in relation to what people would receive, what Ergon and Energex would pay out, what the recovery rate would be from the consumer and, more importantly, that the government understood that there were underlying costs. I would love to see that as well, but I can't get that because it is all cabinet in confidence to the best of my advices. I wrote to yourself, member, also to the Leader of the Opposition, seeking access to that material because I would love to understand what cabinet considered at the relevant time because I do note that in a media release that was put out by the then Premier and also by minister Wilson, minister Wilson makes a comment that if at the end of the year a

credit is accrued to the customer that will be repaid to the customer. I want to understand how the government was informed that money would be recovered from other customers. I want to see the modelling on that, but I can't get access to it.

**CHAIR:** Member for Sandgate?

**Ms MILLARD:** Minister, you partly answered one of my questions which was in light of the fact that the opposition have such an interest in modelling and then you could not find any evidence of previous modelling of potential impacts with regards to the Solar Bonus Scheme. However, is there any evidence to suggest that the previous government undertook any consultation with customers or industry when formulating the Solar Bonus Scheme?

**Mr McARDLE:** My understanding is that we cannot locate any at this point in time. One of the things that I would love to understand is what were the deliberations between the government, the fledgling solar industry and also the consumer, Ergon and Energex, in regard to the long-term impacts of exactly the Solar Bonus Scheme. I want to understand whether or not the government was cognisant that there is an underlying cost in regard to the Solar Bonus Scheme. The QCA, in its determination, made a statement that in 2015-16 there would be a cost passed through to consumers of around \$276 and that would be the peak of the solar bonus figures. I would love to understand whether the government of the day clearly understood that there was a cost and, if so, what advices they were given, what advices they were given by Ergon and Energex, but my understanding is it is cabinet in confidence and unless the Leader of the Opposition gives me consent to access those documents I simply don't know.

**CHAIR:** Thank you, Minister. Member for Burleigh?

**Mr HART:** Let us hope that she comes forward with that information for you. In 2009 the Australian Energy Regulator handed down a decision that became known as the gamma decision. Can you advise the committee of the former government's involvement in that decision and how it has impacted on electricity prices?

**Mr McARDLE:** Certainly. The gamma decision is indeed worthwhile considering just for a few moments and how the former government made decisions to increase power prices and they are still having an impact today. In a nutshell, there are certain documents in existence that the former government did everything they could to increase poles and wire costs by urging their mates in Canberra to increase allowable revenues for poles and wire companies which in the end get collected from customers. In a letter by Andrew Fraser dated 16 September 2008 he asked Wayne Swan to support his moves to increase the amount of money the government could make from poles and wires. This resulted in the boards of Energex and Ergon deciding to appeal the five-year AER determination on allowable revenues for these companies. What this is known as is the gamma decision. That resulted in an increase of revenues of \$541 million for Ergon and Energex. The second letter is a letter dated 30 May 2011 from the energy minister, Stephen Robertson, who did not want to pass on the extra charges just before the coming state election campaign. Labor forewent \$93 million in revenue from the first year of the gamma decision to keep prices down but also ensured the remaining \$447 million was held over until after the election campaign. What I am saying is this: at the relevant time the government of the day undertook a process to delay a cost but increased revenue to Ergon and Energex which was passed through to consumers and we are still living with that today. Thankfully the next five-year period will kick in in 2015-16 with the studies being undertaken from October of next year and we are hoping to see the WAC, which the member for Mulgrave understands, drop down significantly. That is a component that actually generates the end revenue figure for Ergon and Energex. That will also be a factor moving forward in regard to the next five-year regulatory period. I am thankful that that figure we anticipate could be around 6.1, 6.2 per cent. It is 9.7 or 9.8 per cent at the moment. There is a significant difference.

Member, can I indicate to you, the government of the day undertook certain actions that delayed costs for election purposes, in my opinion and then, however, passed on a further \$447 million to Ergon and Energex to recoup from the consumers of this state. I apologise for my voice. For some reason I am losing it.

**CHAIR:** During your answer there I wasn't sure if you were tabling those letters or if you were just referring to them.

**Mr McARDLE:** I was just referring to them.

**Mr HOLSWICH:** Minister, just going back to the weather events around ex-Tropical Cyclone Oswald earlier this year, but looking at Energex this time, there was some suggestion from unions earlier this year that Energex had potentially underperformed in its role in restoring power to South-East Queensland and that was a result of staff cuts. Is there any basis to those claims and how did the Energex approach compare in January of this year to the 2011 floods?

**Mr McARDLE:** Thank you, member, for the question. You know, people do not normally become concerned about power except when two things happen: the power is no longer there or the power bill arrives. I have been out to depots both in Ergon and Energex and can I say to you the very first words they say in regard to their employees is 'be safe'. That is the number one principle; you have got to be safe at all times because when you are playing with high voltage powers lines or any voltage power line you do the wrong thing you can be dead in the twinkling of an eye or, worse, maimed and lose a limb or limbs. They go out in some of the most horrendous weather, whether it is in South Brisbane, whether it is in Burleigh, whether it is in Caloundra. And can I say they did a phenomenal job.

**Mr PITT:** Hear, hear!

**Mr McARDLE:** They did an incredible job and I certainly take the interjection by the member for Mulgrave as well. Energex advised that at its peak there were over 260,000 customers without power while more than 300,000 Energex customers lost power in total. What happened, in fact, was there were 4,000 power wires down and 100 poles were snapped by fallen trees, winds or floodwaters resulting in the replacement of more than 80 kilometres of cables and wires. They actually outperformed the event in 2011 but that doesn't diminish their capacity and their desire to get power back on. We were continually advised by the CEO of Energex and the CEO of Ergon, Terry Effeney and Ian McLeod, of the current position in regard to both of those entities. Those men and, more importantly, the men in their comm centre and the men on the ground, did an incredible job. With all due respect, there were some people in the community who did have a higher estimation as to when they could get power back on, but I don't think anybody could really complain that they put power back to houses and business in an incredible manner in areas that they could get into immediately. There were certain areas like Bundaberg and Gympie which were constrained because of the floodwaters, but I admire, as we all do, the great work that these men and women do. Again I have never been struck by the chorus cry of 'safety is first'. I recall being at one depot with Mr Terry Effeney and he pushed the barrow first, second and third 'look after your mate. Look after yourself because you are playing here with a deadly tool.' They did a phenomenal job, both Ergon and Energex, and I take again the interjection from the member for Mulgrave in supporting that claim.

**Mr YOUNG:** Minister, staying on the theme of the flooding from ex-Tropical Cyclone Oswald, I understand that Paradise Dam west of Bundaberg received some damage. Has that damage been repaired? Secondly, was there an investigation into that flooding event so that we can mitigate in the future?

**Mr McARDLE:** Thank you for the question. Paradise Dam was built in 2005. It is only eight years old. I acknowledge that it went through the 2011 event and the 2013 event. From the reports and the photos I have seen, the dissipater, which is the concrete block that sits at the base of the dam and over which the water flows, was smashed to the point of 12 metres into the ground and about 50 metres wide. What I could not understand, and still cannot understand, is how a dam that is so young suffered such damage. I do not for one second deny that the events were major. In fact, in 2013 there was eight metres of water over the spillway. That is an incredible volume of water travelling at an incredible rate and hitting a concrete dissipater.

The repairs have been done in three stages. Phase 1 is now complete—that is, making certain the dam is totally secure. Phase 2 is now underway and will conclude by the start of the wet season this year. The dam is perfectly safe. We are looking at a repair bill of around \$25.6 million at this point in time.

We have engaged the Department of Public Works in New South Wales to undertake an investigation as to why the dam, being eight years of age, suffered such severe damage. It might well be that it was, in fact, the incredible ferocity of the events and the water. It will cost us around \$35,000, if I recall correctly, to have the investigation done. I think it is very important to do that, because it may answer some questions. It may also give us very important data about, if the dam was built correctly structurally—and I certainly hope it was—the engineering impact and also the physics impact of the water going over the dam so that when we build dams later we learn from this and regard the dissipater and also regard the land on which a dam is built and the land surrounding the

dam. It will be a two-tier test: was it built in a manner that met Australian standards of construction; and what can we learn from this dam moving forward in the building of other dams of a similar or like nature?

**CHAIR:** Thank you, Minister. Member for Mulgrave?

**Mr PITT:** I wish to call the CEOs of Energex, Ergon and Powerlink, if they are able, to come to the table to take a quick question. I think I started last year's estimates hearing by calling you up and I left you to the end. I thought I would change it this year.

**Mr McARDLE:** You are a generous man.

**Mr PITT:** I want to keep you on your toes. Can you each state your names for the committee, please?

**Mr Effeney:** Terry Effeney, Chief Executive of Energex.

**Mr McLeod:** Ian McLeod, Chief Executive of Ergon Energy.

**Ms York:** Merryn York, Chief Executive of Powerlink.

**Mr PITT:** Thank you for being here for this committee hearing. Firstly, to Mr Effeney: last year I asked whether your organisation had been directed by the government to shed staff in order to cut costs. The acting CEO at the time advised the committee—

There are no explicit directions in that regard.

Here we are, less than one year on, at the next estimates hearing. Can you please advise the committee if any jobs have been lost at Energex since that time and how many?

**Mr Effeney:** Certainly I can confirm that there has been no direction on that particular matter. Energex has been reducing its overall staff numbers, consistent with its reducing program of work. You and many others will know that the economic cycle in South-East Queensland is much different than it was some years ago and our forward projections are showing reductions in our requirements for capital work particularly. As a result, the downsizing of the organisation is consistent with that program of work and ongoing efficiencies. I can confirm that there have been virtually no reductions in our blue-collar workforce and the majority of the reductions are in fact in our support areas. We have reduced our staff, in the period from 30 June 2012 to 12 July 2013, in the order of about 460, with the majority of those staff in the white-collar and support areas.

**Mr PITT:** Thank you. Mr McLeod, similarly, last year the question was asked about whether there had been direction to shed staff. You responded—

There has been no direction received by us to reduce staff ... In terms of direction to keep staff in regional areas, there has been no direction to keep staff in regional areas either.

Could you please advise the committee whether during the intervening time there have been any job losses and how many?

**Mr McLeod:** Similar to Terry, there was no direction provided at that time when we answered that question and there has been no direction since. In Ergon Energy's case, I think I highlighted at that point in time that, particularly in 2010-11, we had a reduction in consumption of well over 10 per cent. We had a reduction in demand. Also in that space, the mining industry has gone back. Our customer initiated capital works, which were up around \$290 million, have dropped over \$100 million and have been at that level for a couple of years now. We have certainly adjusted the resource to the plan, as we did when Queensland boomed and grew. Ergon grew quite quickly in the last decade and we are now bringing the resource levels back to the current workload.

In terms of employee numbers, we have downsized around 370-odd employees since October—since we announced to the unions and the public that we were downsizing. Also in that time we downsized 104 contract positions, supplementary labour hire. Since June last year, our figures are up around 690, and that includes both contractors and employees.

**Mr PITT:** And to Ms York, a similar question: are you able to provide any update as to what you were asked last year in terms of any direction given and any staff that may have been shed during the time in between?

**Ms York:** I have a similar answer in regard to the direction. There was no direction at that time and there has been no direction since then. In terms of our staffing levels, Powerlink actually has lower staff numbers compared to the equivalent time in 2012—only 63 lower. That has come about primarily through an organisational restructure that we have undertaken within Powerlink, which has

reduced our number of business units from nine to six. We have been working through a series of restructures within that, as you work through the levels in the organisation, just to deliver the same transmission services in a more efficient and effective manner.

**Mr PITT:** This is a question to all three of you, and obviously it will depend on the minister confirming that. It would be helpful if we were able to be provided with a breakdown of the current permanent, temporary, casual and contract positions listed by job title, salary level and location and/or departmental region for the respective organisations. I am obviously happy for that to be taken on notice. I do not expect you to have that for me immediately.

**Mr McARDLE:** That is a very, very big task I would have thought.

**Mr PITT:** At this stage, as per the usual requirements for questions to be back in time for the committee's report, I am happy, if the chair is agreed, to have that period extended because I understand it may be a big task.

**Mr McARDLE:** With all due respect, I think that is a burden on the operation of these three entities and I will not be taking that question on notice. That is unreasonable.

**Mr PITT:** Wouldn't it be prepared for the estimates?

**CHAIR:** Member for Mulgrave, there is an opportunity for all government and non-government members to put questions on notice.

**Mr PITT:** I will do it at that stage.

**CHAIR:** That type of question should have been placed on notice before this hearing because of its complexity.

**Mr PITT:** That is a question I am happy to ask at a later stage as a question on notice if that is the case. Thank you, Mr Effenev, Mr McLeod and Ms York. That is all I require you for. I appreciate your time and attendance here today.

Minister, I refer to recent comments, on 16 June, by you and the Premier regarding reliability of the power network. Both you and the Premier seemed to suggest that the reliability of the state's power grid could in some way be traded away for lower power bills. The Somerville report of 2004 talked about the system average interruption duration index. I think we can call it SAIDI for short, if that helps everyone. The 2003-04 Ergon SAIDI storm adjusted result was 520 minutes and Energex's was 163 minutes. Are these the sorts of reliability levels that we may see if there is a proposal to have reliability of supply reduced? This is a concern. I am not sure Queenslanders are expected to trade that away. I expect that they would want to have a reliable supply of electricity. I am keen to hear your response.

**Mr McARDLE:** I think the Somerville report has led to, as you said, the N-1 standard being in place right across the state. As I said earlier, there is no doubt in my mind that the debt of \$14.5 billion is in large measure associated with that. What the IRP has come back with quite clearly is: is that N-1 standard required across the state? Is it a potential that we can look at certain sections where that is not required? In my opinion, it might well be that in the CBD of Brisbane you certainly want N-1 and it might well be that in the CBD of Cairns you certainly want N-1. But we are simply saying that this is a question that we should be looking at, not just in the sense of what capital could be saved by not having the N-1 but also what is the implication of moving from that standard to a different standard on a social, environmental and economic level.

I think I can put the answer quite succinctly: the N-1 moving to a new standard has to be looked at across a range of initiatives. Simply saying that we are going to move from that has to be weighed against the three factors that I have outlined. Not to do so would be a dereliction of this government's obligation to ensure power is available. Oddly enough, I remember the day that we did make the announcement about the government response. If I recall correctly, the comment that I made to the journalist was: would the people of this state accept that over a 12-month time period they would lose power for 30 minutes or 40 minutes if that meant a reduction? That was a question I was putting out there.

**Mr PITT:** Be careful with those hypotheticals, Minister.

**Mr McARDLE:** I know. They are deadly, I agree. I recall being advised that the relevant channel news that night ran a series of questions that it asked of consumers in the street. I recall—I might be wrong here—that they said they would accept a small loss, not a big loss, over 12 months for a reduction. Of course, that is not a survey, but it does give me an indication that maybe people are prepared to consider it.

**Mr PITT:** I think your comment earlier was right, that people do not notice until it goes out or the power bill arrives.

**Mr McARDLE:** I agree entirely, and that is why I also made the comment that consumer engagement and bringing the consumer with you is part of the solution. Certainly I would not say that scrapping or altering or amending or in some form dealing with that cannot occur without the consumer being fully informed of the consequences, and business as well. You simply could not have a business without power for half an hour or an hour or a day. It is just ridiculous.

**Mr PITT:** Or people with medical conditions that require an uninterrupted power supply.

**Mr McARDLE:** Absolutely. That is absolutely common sense. There is no question. All those factors need to be considered very carefully.

**CHAIR:** Minister, we have about three minutes left and I would like to give the member for Mount Isa a chance to ask a final question.

**Mr KATTER:** Thank you, Mr Chair. Minister, I refer to the dividend for the Mount Isa City Council and the relationship with that water board. It has always been an issue. Prior to your time in government, when I was on the council we missed a dividend and it came back. I think there is a shortfall or diminished return on that dividend to the council from the water board. I would like to get your rationale behind those and what we are likely to see in the future. Obviously, it is an impost on the residents of Mount Isa or the council itself, which tries to budget accordingly.

**Mr McARDLE:** If I recall correctly, I wrote to Mayor McGrady in recent times. I explained in that letter that for 2013-14 the city would receive 75 per cent of the dividend and the state 25 per cent, the next year it would be fifty-fifty and the third year we would have a review of that determination, if I recall the terms of that letter correctly. It was at a time when the coffers of the state were flowing with rivers of gold. That is now not the case. We have an obligation as a government to ensure the future of the state finances and we had to make some tough choices. Mayor McGrady came and spoke to me. We had a lengthy conversation about that. I then wrote that letter back to him.

The government understands that the rate base in Mount Isa is a small rate base. That is why we have done what we have done, but also we put in place a review in two years time so that we can look at that issue again. We also understand that, compared to other regional cities, the Mount Isa rate base is quite tiny and we acknowledge that does need to be looked at in a two-year cycle. Hopefully in two years time we will have better news for Mount Isa, but we had to act in a manner that protected, as best we can, Mount Isa and assisted the state coffers as well.

**CHAIR:** Thank you, Minister. The time allocated for the consideration of the proposed expenditure for the areas of responsibility administered by the Minister for Energy and Water Supply has now expired. On behalf of the committee, I thank the minister, his departmental staff and the staff of other organisations for being here. Minister, I thank you and the member for Mulgrave for making me work for my money with the free-flowing latitude that was created throughout this hearing.

**Mr PITT:** It was your call, Chairman.

**CHAIR:** It was, and I think it is good to see estimates flowing in such a way. The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 5 pm on Friday, 19 July. The committee will now break. The hearing will resume at 4.45.

**Mr McARDLE:** Mr Chair, may I pass on my thanks and the thanks of my team to you and the full committee for your indulgences here today and your courtesies as well. These exchanges—or latitude, whatever you want to call them—are very good and very informative. I appreciate the time given to me. I also thank my ministerial staff and my departmental staff for the hard work they have done. It is a trying time for all concerned, but it is also an enjoyable time. Thank you very kindly indeed for your time.

**CHAIR:** Thank you, Minister. The hearing will resume at 4.45 with the examination of the budget estimates within the portfolio of the Minister for Tourism, Major Events, Small Business and the Commonwealth Games.

**Proceedings suspended from 4.31 pm to 4.46 pm**

**ESTIMATES—STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY  
COMMITTEE—TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE  
COMMONWEALTH GAMES****In Attendance**

Hon. JA Stuckey, Minister for Tourism, Major Events, Small Business and the Commonwealth Games

Mr J Martin, Chief of Staff

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

Dr R Eden, Director-General

Ms L Brown, Chief Financial Officer

**Gold Coast 2018 Commonwealth Games Corporation**

Mr M Peters, Chief Executive Officer

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 **CHAIR:** Good afternoon everyone. The estimates hearing for the State Development, Infrastructure and Industry Committee is now resumed. For those who were not here for earlier sessions, I would like to introduce the members of the committee. I am David Gibson, the member for Gympie and chair of the committee. Mr Tim Mulherin, the member for Mackay and deputy chair of the committee, is being replaced this afternoon by Ms Jackie Trad, the member for South Brisbane. The other committee members are: Mr Michael Hart, the member for Burleigh; Mr Seath Holswich, the member for Pine Rivers; Mr Rob Katter, the member for Mount Isa; Ms Kerry Millard, the member for Sandgate; and Mr Bruce Young, the member for Keppel. The committee has also given leave for other members to participate in the hearing today. I welcome the Leader of the Opposition and member for Inala, Ms Anastacia Palaszczuk, to the hearing.

The next item for consideration is the proposed expenditure for the organisational units within the portfolio of the Minister for Tourism, Major Events, Small Business and the Commonwealth Games. On behalf of the committee, I welcome the Minister for Tourism, Major Events, Small Business and the Commonwealth Games, her departmental officers and members of the public. For the benefit of Hansard I ask witnesses to identify themselves when they first speak. I also ask that all mobile phones, pagers and tablets be switched off or placed on silent mode.

Before we commence, I remind all members that some of the activities of this portfolio include undertaking commercial negotiations. Although the committee is within its rights to hear matters that are commercial in confidence in a private session, doing so may significantly interrupt the public proceedings of this hearing. I would therefore ask members if possible to structure their questions in a manner that will protect commercial sensitivities.

I now declare the proposed expenditure for the organisational units within the portfolio of the Minister for Tourism, Major Events, Small Business and the Commonwealth Games open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, if you wish you may make an opening statement.

**Mrs STUCKEY:** I would like to. Thank you very much, Mr Chair. Committee members I am really delighted to be here today to report to the State Development, Infrastructure and Industry Committee on what has been a positive and active year of achievements for my department. I would like to acknowledge representatives from my ministerial office, my department, Tourism and Events Queensland and GOLDOC who have joined us this afternoon.

At last year's estimates hearing I informed the committee of ambitious targets that we set my portfolio for 2012-13. I am very proud to tell you today of the great accomplishments and hard work that my team has done to reach these targets. The inaugural DestinationQ forum in June last year was the first dedicated tourism conference in over 25 years and was a catalyst for reform and advancement within our industry. At the forum the Premier and I signed an historic partnership agreement and 12-month action plan with the Queensland Tourism Industry Council—a plan that identified 25 key actions across several tourism related portfolios.

A lot has been achieved in a short period of time. We have of course created the new entity Tourism and Events Queensland by bringing together the former Tourism Queensland and Events Queensland. We have delivered the Queensland drive tourism strategy. We have further developed Queensland's dynamic event calendar, supporting 44 major events and 101 regional events. We have continued to increase aviation routes and services into and across Queensland through the Attracting Aviation Investment Fund. We have facilitated investment in Queensland's tourism industry by removing restrictive red tape and working with investors via the Tourism Investment Attraction Unit.

In April this year we marked five years until the opening of the Commonwealth Games with the launch of the vibrant official emblem which, of course, I am proudly wearing. GOLDOC and the Office of Commonwealth Games Coordination in my department are making sound progress on the planning of the Gold Coast 2018 Commonwealth Games as we work collaboratively under a very strong governance structure.

The Newman government is totally committed to supporting and stimulating the growth of our 412,000 small businesses. On 18 May this year I launched the Queensland government's Small Business Strategy and Action Plan 2013-15—a plan that articulates the policy directions and actions the government currently has and will put in place over the next two years, outlining them in five priority areas; a total of 32 actions to be delivered across 10 government agencies.

The 2014 budget was a tough but fair budget which enables us to continue our efforts to restore the horrendous debt left by the former government. We have committed more than \$120 million for tourism, including \$111.6 million for the newly created superagency Tourism and Events Queensland. The budget also continues our \$7 million investment in Queensland's regional tourism organisations and \$8 million for the Attracting Aviation Investment Fund over four years.

We have continued to provide \$7 million to expand and deliver our business to government services through our successful business and industry portal. The budget also allocates \$105.4 to continue the planning of the 2018 Gold Coast Commonwealth Games, including \$46.1 million for the development of the Commonwealth Games village.

This is just a snapshot of what my department has achieved. As you can see, we have made great inroads towards re-positioning Queensland as Australia's No. 1 tourism destination. But we realise there is much more to do which is why we are planning for Queensland's future today. I look forward to detailing these and many more achievements throughout this afternoon's hearing.

**CHAIR:** We will now proceed to questioning. I call the Leader of the Opposition.

**Ms PALASZCZUK:** Good afternoon to you, Minister, and all your staff here today. I thought we might kick off on the Commonwealth Games as you mentioned that in your opening statement. I just wanted to touch on the answer to question on notice No. 2 that you provided to the committee. At last year's estimates you said that the master planning was due to be completed in April 2013. Now your answer says—

The State Government will make available the preferred development partner's master plan once the Request for Proposal process is complete in early 2014.

With less than five years to go before the Commonwealth Games, can you explain why there is now such a lengthy delay in releasing this master plan?

**Mrs STUCKEY:** I thank the honourable member for the question. Understanding the scale and size of this project, I guess it is not surprising that there is intense interest in it. But also, of course, there must be understanding of the complexity involved in organising it.

As far as the master plan is concerned, if we go back a little bit it was important to make sure that it was the parklands village that was going to be the site for the games. So we reviewed all of that. That did take some time. Then of course there was the process of thinking through the potential tenderers who would have the capacity to build a village of this scale. We have heard recently that there are three large corporations considered capable of delivering a project of this size—that is, building accommodation for some 6½ thousand athletes. They have been short-listed. They are going to put forward their plans on how this village would look. I understand they have until October to complete their papers. Then that plan will be detailed in early 2014.

Between last estimates and now we have seen the formation of Economic Development Queensland within the department of the Deputy Premier. I am sure all members are aware of that. This was set up to obviously handle projects like this but also to help us cut red tape. Rather than setting up another statutory authority this was done.

**Ms PALASZCZUK:** Sure, but my concern is that it is now being delayed another nine months. What confidence do Queenslanders have that under your government everything is going to be complete by the time the games come around? The master plan was due to be released in April 2013. It is now not going to be released until next year. Minister, this is a large blowout in time. Do you concede that?

**Mrs STUCKEY:** What is important to note is that the partners who are going to be building this need to be involved in the master plan.

**Ms PALASZCZUK:** Sure.

**Mrs STUCKEY:** This was too significant a project to rush. The comments I made at last year's estimates was that a master plan was expected to be finalised in April. Obviously that has not been able to be achieved because of the complexity and also the establishment of Economic Development Queensland which is now handling the project.

**Ms PALASZCZUK:** Are you getting regular briefings about this? I just want to go back to my core question about how are we going to have confidence that when we come around to estimates next year it has not blown out to the following year. I want to maintain Queenslanders' confidence in your government delivering the Commonwealth Games on time?

**Mrs STUCKEY:** May I say that you are not alone in having concerns about time lines being met. I would like to reassure the committee and the people of Queensland that I have every confidence in my board and also in the Deputy Premier's department in being able to deliver this project on time and on budget, but, even more importantly, that it will leave behind a legacy that we can be proud of. We have established that there will be some \$2 billion economic benefit as a result of the Commonwealth Games project. I have no reason to expect that that would be different.

Might I please also inform the honourable member that the engagement of a partner for the games village is actually ahead of schedule. We are confident in that. Having both Economic Development Queensland and the Commonwealth Games board and the infrastructure authority board within that, which is headed up by Nigel Chamier, there is very strong contact between the two. I will be receiving briefings on a regular basis. I am in touch with the board. Whilst I do not attend every board meeting, because I am not an official member of that board, I certainly see the minutes and I am kept in the loop very ably. In fact, I receive a report every fortnight from Mr Peters and his team.

**CHAIR:** You referred to what the Deputy Premier's area is doing—and I note with the Commonwealth Games there is a division of responsibility—for the benefit of the committee could you tell us whether the master planning sits within your department or within the Deputy Premier's department?

**Mrs STUCKEY:** Perhaps as you have asked, Mr Chair, I would very briefly like to give some governance on who does what.

**CHAIR:** If you could briefly; I think it will benefit the committee so we can all be very clear.

**Mrs STUCKEY:** My department is tasked with the delivery of the games. We also are tasked with identifying and going through the bid book and checking off each of those venues where those sports are going to be played and held and of course those pre-sports as well. In fact, I think the Deputy Premier said that I choose everything down to the paint colour and then we give it to them to build and it comes back all shiny and new for us to deliver the games.

So the master planning component does fall in the infrastructure authority under the new Economic Development under the Deputy Premier's department. They are the people who undertook the process to seek interested parties, expressions of interest, for the village planning stage, and I understand seven people did put their names forward and of those the short-list of three that we have released publicly has been out there in the public domain.

**CHAIR:** Thank you for that.

**Ms PALASZCZUK:** Minister, could you perhaps define whether you are overseeing any of the infrastructure? Could you clarify that for the committee, please? And, if you are, what are those projects?

**Mrs STUCKEY:** The infrastructure falls completely under the infrastructure authority in Economic Development.

**Ms PALASZCZUK:** So the Deputy Premier again.

**Mrs STUCKEY:** The Deputy Premier. So the ongoing progress of the aquatic centre, which is a very exciting development—and it will be ready for the Pan Pacific Swimming Championships for 2014—is also being progressed by him.

**Ms PALASZCZUK:** Minister, in relation to the sporting facilities, how do you feel? Is everything on track to be completed on time? Do you have regular meetings with the Deputy Premier about overseeing these events? I am just a bit unsure. Your title is Minister for the Commonwealth Games, but from what you are saying to us and what the chair has pointed out it really appears that the Deputy Premier is the minister for the Commonwealth Games. Can I just be very clear: what is your role?

**Mrs STUCKEY:** I thank the honourable member. I thought I made myself clear before as to exactly what we do, down to the colour of the paint.

**Ms PALASZCZUK:** I do not think it was very clear.

**Mrs STUCKEY:** The governance structure is very much that my department is tasked with securing and locking in all of the venues where the sporting activities will take place and of course the opening and closing ceremonies and all of those things. In relation to some of the pre-festivities, no, they do not fall within my purview, and I understand the Gold Coast City Council and GOLDOC will be discussing those with the community at large.

But pretty much it is my job and my department's job to make sure that we identify each venue for all of the sports, where they will be held, and make sure that we put forward the capacity—so perhaps even the design works are done by us. We will establish design. We will do the preplanning as far as that goes. But once it is identified, lock, stock and barrel it goes over to the Deputy Premier's department and they build it. They build it. It is up to them to get the correct, I suppose, people with the capacity to build that. As we know, the games village is by far the biggest component as far as that is concerned. So once they are completed they come back to us intact, as a completed venue, and we can tick the box and say, 'That one is ready to go.'

As to whether I have any doubts, absolutely not. The infrastructure authority, as I said, is chaired by Nigel Chamier. My director-general is on that and so is the director-general from the Deputy Premier's office. They have significant markers to progress the project, but you would need to ask them what they are.

**Ms PALASZCZUK:** Thank you, Minister. My question is once again in relation to the Commonwealth Games. Will the minister outline how many meetings each Commonwealth Games board member has attended and whether any board members have made any conflict-of-interest disclosures preventing them from participating in board decisions?

**Mrs STUCKEY:** I think that is a question that I would need to ask Mr Peters to answer for you. So, if you do not mind, I would like to call Mr Peters, the CEO of GOLDOC.

**Mr Peters:** Thank you for the question. As the standard part of our board minutes we have a conflict-of-interest agenda item, and at each board meeting each member is asked whether they believe that in the agenda that has been provided there is a conflict of interest and we record that in the minutes. I do not have the exact attendance of board members, but if the minister can ask to take that on notice we can certainly get that information now.

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

**Mrs STUCKEY:** We are happy to take that question on notice if that satisfies the honourable member and the committee.

**CHAIR:** If you can just provide the question to the secretariat.

**Ms PALASZCZUK:** That is fine. Can I ask a subsequent question whilst Mr Peters is still here. There have been some emails between the director-general of the Department of National Parks, Recreation, Sport and Racing and senior figures in Jones Lang LaSalle to discuss the opportunities to manage sports stadiums in Queensland. Minister, will you inform the committee if any Commonwealth Games board members are linked to that company and whether the management of Commonwealth Games infrastructure is likely to be managed by private entities including Jones Lang LaSalle?

**CHAIR:** Sorry, just for clarification, is that to Mark Peters or to the minister?

**Ms PALASZCZUK:** I think to the minister in the first instance.

**Mrs STUCKEY:** Yes.

**Ms PALASZCZUK:** I am just concerned that there are some emails going around, maybe trying to get in through the back door, seeking meetings with ministers about managing stadiums. I just want to make sure that we have the probity and the checks in place to ensure that everything is managed above board.

**Mrs STUCKEY:** I understand the honourable member's concerns and I thank her very much for that question. It is one that I would need to refer to Mr Peters again, if that is acceptable.

**Ms PALASZCZUK:** Sure.

**Mr Peters:** In relation to the board membership, the chairman has informed me of a relationship with that company and Mr Stephen Conry is the CEO and manager director of that company.

**Ms PALASZCZUK:** So it might be appropriate that the director-general of national parks should refer this query to the Integrity Commissioner. I am happy to table it.

**Mrs STUCKEY:** I was going to ask if perhaps you would like to table those emails.

**Ms PALASZCZUK:** I will, actually. Chair, if you do not mind, I seek leave to table those emails.

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

**Ms PALASZCZUK:** I table those emails. I just think it is something that the board and the minister should be made well aware of.

**Mrs STUCKEY:** We might also note, too, just for the honourable member's interest, that the government has a review on at the moment of the stadiums in Queensland. So that is occurring as we speak.

**CHAIR:** Do you have any further questions?

**Ms PALASZCZUK:** Yes. I am changing topics now.

**CHAIR:** I might then go across. Member for Mount Isa, do you have any questions that you would like to ask of the minister?

**Mr KATTER:** Yes. Minister, our outback tourism industry relies heavily on the effectiveness and condition of some of their commercial assets. I know, for instance, the Outback at Isa in the centre of Mount Isa and the Stockman's Hall of Fame need considerable investment to keep them competitive and relevant, and I would say significant investment is needed. I would just ask you to comment on that and the attitude towards that, because I would say that it would take a significant commitment from the government to assist them to keep them competitive in the future.

**Mrs STUCKEY:** I thank the honourable member for the question. As we discussed at last year's estimates, I have a particular fondness for the outback. I did miss you at the tourism awards late last year but I have to tell you they were pretty spectacular. It was terrific also to launch the 'Outback Queensland Eventures' campaign this year. People were telling me that it was the best steak and best beer that they have tasted. Of course, I hope you have made your promise to keep visiting, because I have my red T-shirt.

**Mr KATTER:** I don't have much choice!

**Mrs STUCKEY:** You have a few of them, have you? So I have made my promise. I think it is important that the government certainly recognises the outback and the facilities as critical for tourism. A number of our different campaigns have supported the outback. I have listed a couple of things here. We are certainly focusing on events as well there. We are holding our Queensland Small Business Week function out there, and unfortunately it is on a cabinet morning. We are highlighting the small businesses out there. We are through TEQ providing \$27,000 in support for Lake Moondarra Fishing Classic. I understand that is in November this year, so I hope there are plenty of fish there to catch. The second year of the Outback Education Tour Subsidy Scheme has also been very successful. The 110 stakeholders participating in industry development out there are very heartening to us, and of course we expect a very large contingent at the DestinationQ forum in August. I think they are practising their wild calls already to make sure that we know they are there. So we are certainly aware of the significance of the outback and the facilities. Yes, you are correct in particularly the hall of fame being very expensive to run, particularly with air conditioning and other things like that. We are doing everything we can to maximise visitation to the outback so that the money will keep coming through and you will be able to maintain a lot of those facilities.

**Mr KATTER:** Just to add a little bit to that, I am interested to see the relationship between where the divide comes with infrastructure and tourism assistance. I know that the grey nomads have a big effect in our area and have an effect on local infrastructure like sewerage and water. In

Karumba, for instance, the population goes from 600 to 3,000 to 4,000 people in a season, and they are really doing backflips trying to cope with that. They delivered a new sewerage system at great cost to the existing residents. I wonder what relationship is there for investment.

**Mrs STUCKEY:** I thank the honourable member again. I have just been notified that Tourism and Events actually awarded \$20,000 in additional funding to the Stockman's Hall of Fame in July to improve their infrastructure.

Generally speaking, large infrastructure projects do not fall under my portfolio. Tourism and Events Queensland is marketing and promotion and of course securing of events and assisting with hosting events. These are events that bring visitors—so people who are going to travel to your destination and stay overnight. The Drive Tourism Strategy also promotes better signage and improvement of facilities. So whilst the funding does not necessarily come out of my portfolio, because we do not have it, we do have a whole-of-government approach to this. My Tourism Cabinet Committee does have the Minister for Transport and Main Roads on it and we do meet and discuss these issues. As I am frequently reminded by the caravanners and RVs as well, they are not just grey nomads anymore. There are a lot of people and you can expect to see a lot more Asian-speaking visitors coming your way because we are certainly increasing our numbers of visitation through that market as well.

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

**Mr HART:** Minister, I refer to the Service Delivery Statement at page 35 and to Tourism and Events Queensland's focus on growing Queensland's major events calendar. Minister, could you please outline how significant events such as the recent Gold Coast Airport Marathon assist to grow the Queensland tourism industry?

**Mrs STUCKEY:** I thank the honourable member for the question. I know that he enjoys the events that happen in his backyard, too. The Breaka Burleigh Pro I think was a very big event—bigger than we anticipated—earlier this year in your electorate. Only a couple of weekends ago, on a sparkling sunny weekend on the Gold Coast, we had the Gold Coast Airport Marathon. How significant this event is cannot ever be underestimated. It was in its 35th year. So for any event to be able to clock up 35 years and go from success to success is a real credit to the organisations. It is more than a race; it really is a weekend of family-friendly events. I am not sure if any honourable members got to see it, but probably the most fun one was the two-kilometre dash with the kids. It was terrific to see them lacing up their shoes at a very young age. Of course, those who were a little more fit endured the 42 kilometres in the marathon.

It has become one of the most important participatory events on the Queensland event calendar. This year, as some people heard, we had to put a cap on entrants because of the works that we had on the aquatic centre, which is neighbouring that track. But we still had a total of 27,761 competitors, and that was 10,300 in the half marathon and 5,400 in the full marathon. I actually fired the gun for that. It was wonderful to watch these thousands of participants pounding the streets.

The event brings in something like 63,000 visitor nights. It puts nearly \$15 million into the coffers of the Gold Coast. So the economic benefit from that event is significant. Can I congratulate the Japanese? They had a contingent of 700 participants this year and they took out the men's and the women's marathon. As the seconds counted down I watched Yuki Kawauchi grimacing as he approached the finish line because he wanted to beat the record. However, he equalled it; he was not a second out; it came down to 0.01 of a second. It was just incredible that he clocked it. I am very pleased to say to the women that Yukiko Akaba actually smashed the record by two minutes. So we have a new record. I think the Japanese are going to want to come back in even bigger numbers. I quickly wish to thank and place on record my deep appreciation to Kerry Watson and his team of amazing organisers. As I said, it has been run for 35 years. It is a pretty fantastic effort.

**CHAIR:** We look forward to the member for Burleigh competing next year! Member for Keppel.

**Mr YOUNG:** I refer to the Service Delivery Statement at page 2, resources and performance. Could you please outline the benefits of the government's focus on attracting investment into Queensland's tourism industry?

**Mrs STUCKEY:** I thank the honourable member for the question. Doesn't he represent a magnificent tourism destination? We have identified the need for new product. I do not think anybody would dispute the fact that some of our product has been looking a little bit tired over the years. Someone even referred to it as having an 'apricot phase'—whatever that means—as far as furnishings and things go. No-one would dispute that we have needed some new investment in

product. Part of the reason that we have not had it is that developers and investors were asked to jump through so many hoops that they spent millions of dollars in the process trying to get their approvals through. Now that there is a very can-do government in Queensland we want to attract investors. We do require new investment to be able to reach our 2020 target of doubling overnight visitor expenditure from \$15 billion to \$30 billion. Also our attractions and investments need an authentic signature to be marked as pure Queensland, although I think somebody else stole that—the pure New Zealand campaign. We certainly need that authentic Queensland stamp on anything that we do.

On 6 March the Deputy Premier and Minister for State Development, Infrastructure and Planning announced that the government had approved the \$600 million resort development proposed for Great Keppel Island. This development is set to be the biggest development in the Great Barrier Reef region for almost 25 years. Immediately following the election we established the Tourism Investment Attraction Unit within my department. This is a specialised unit that provides a coordinated approach to facilitate private investment in tourism. May I give you some statistics of the past 2012-13 year that the TIAU achieved? They provided facilitation assistance to 51 projects, they delivered 50 investment attraction initiatives and realised \$32.2 million in investment outcomes. I am sure that the honourable member is very excited about the prospects of this amazing and exciting investment. I remember visiting the Iwasaki resort in your region over 20 years ago. That certainly was ahead of its time. Now, though, it is high time to have another new investment so that we have even more reason to visit your beautiful part of the world.

**Ms MILLARD:** Further to discussing investment, I refer to the Service Delivery Statement at page 2. Could you please inform the committee of what the government is doing to attract new hotel investment into the Brisbane CBD?

**Mrs STUCKEY:** I thank the honourable member for the question. The government identified at a very early stage that there was a severe shortage of hotel rooms in the Brisbane CBD, particularly a shortage of five-star accommodation, and we have taken steps to address that. We undertook some research in conjunction with Brisbane City Council and, of course, my department. That research showed that Brisbane is losing \$136 million in expenditure and 87½ thousand visitors each year due to a room shortage. So some 300 to 400 new rooms are required if we are to reach our 2020 target that I have already mentioned.

In March of 2013 I joined Mayor Quirk to launch the joint Queensland government Brisbane Marketing guide to hotel investment in Brisbane. This is a significant step forward that took months of work to put together. The guide is going to be used by Brisbane Marketing and our government to promote the city as an ideal CBD hotel investment destination. The issue also featured very prominently at the inaugural Tourism Investment Forum dinner that was hosted by the Premier and me on 22 May right here at Parliament House. This forum brought together potential investors and developers from right around the world. In fact, the response rate to that evening was double what we had hoped for such was the high interest in investment, because Queensland is open for business.

These actions are paying dividends. Honourable members may remember that just recently I joined my colleague Minister Mander to announce the Shayher Group as the successful developers of the old supreme and district courts site on George Street. This development will include a 320-room five-star hotel and is the largest single development to date in the Brisbane CBD, but watch this space for some more.

**Mr HOLSWICH:** Minister, in the Service Delivery Statement at page 2 it talks about the department's objectives for 2013-14. Right at the top of the list is delivering the second DestinationQ forum on the Gold Coast. Can you provide us with an update about that DestinationQ forum and why that is important to Queensland's tourism industry?

**Mrs STUCKEY:** I thank the honourable member for that question. I have to say that I have visited the member's electorate and he certainly represents a very picturesque tourism destination. Not many people would have thought of Pine Rivers in terms of tourism, but certainly in relation to that drive market you have some really special attractions there. The people whom I met are certainly understanding of the welcoming hospitality that is required.

As I have told honourable members, last year the Premier and I held the inaugural DestinationQ forum. It focused on immediate actions that we needed to take to restore our ailing industry. I promised it would not be a one-off event and I am delighted to be able to update the committee on the second annual DestinationQ forum. May I commend the member on registering in

time to attend this forum because a lot of people have been disappointed. Once again this year there was an oversubscription so we have had to send a letter of decline to some people because there was just such high interest.

I will, of course, again be joined by the Premier and my tourism cabinet colleagues on 27 and 28 August on the beautiful Gold Coast for this year's forum. Importantly, we will once again be joined by over 300 tourism industry representatives. The 2013 forum will provide an opportunity for the industry to review the progress since the forum in 2012 and finalise the 20-year plan for Queensland's tourism industry. The industry will be asked to consider what is needed over the long term over areas of partnerships; infrastructure and investment; quality, service and innovation; nature and culture; iconic experiences; and market mix. Of course, we will consider all of that in the context of the megatrends identified by research company CSIRO.

**CHAIR:** I would like to refer to the strategic direction as part of the departmental overview on page 2 of the Service Delivery Statement and link it into areas, such as my community, that were affected by the floods this year. Could you inform the committee how your department has assisted small businesses impacted by the flooding earlier this year?

**Mrs STUCKEY:** I guess no-one really understands the impact that severe flooding has as much as you do. Our hearts have certainly gone out to the people of Gympie who suffered several times in a matter of years. We recognise that very poor attention was given to the small businesses post the 2010-11 floods. I think it was an area that the former government neglected quite severely in that not enough, if anything, was done for small businesses. We also recognise that in Gympie you have some 4,354 small businesses, give or take one or two over the last couple of days. The worst hit areas for those small businesses in your region were Bundaberg, Fraser Coast, North Burnett, Gympie itself, South Burnett, Gladstone, Scenic Rim, the Lockyer Valley and particularly Laidley. They came off very badly as well. My department provided disaster resilience and recovery assistance to businesses through a number of mechanisms that included webinars and online information and tools. A webinar entitled 'Preparing Your Business for Storm Season' was run on 28 November 2012.

In response to the flooding from ex-Tropical Cyclone Oswald in January 2013 the disaster resilience and recovery section of our business and industry portal was immediately refreshed and elevated to our home page. This portal provided information on disaster recovery, financial assistance for small business and links to community support. It was interesting to note, too, that a very high number of people accessed this through their mobile phones. Whilst other services might have been down, we found that it was a very useful resource for people during this difficult time. In fact, in the 10 days following the floods, over 11,000 individual Queenslanders visited our BIP with almost 50 per cent accessing it from that mobile device that we were talking about. The department also produced a business first aid fact sheet which directed businesses to appropriate sources of information. Our Mentoring for Recovery program connected targeted businesses with a panel of voluntary mentors to help address their challenges. My department coordinated the gathering of business data intelligence through the Department of State Development, Infrastructure and Planning and local councils to expedite financial assistance for small businesses through the Natural Disaster Relief and Recovery Arrangements. Member for Gympie, you would have to say that our Queensland businesses are not only resilient but also very resourceful.

**Ms PALASZCZUK:** Minister, I notice you mentioned that DestinationQ was coming up on 27 and 28 August on the Gold Coast. My invitation must have been lost in the mail. I make that comment. The member for Mount Isa was talking about regional events and I want to explore that a bit further. In the SDS, reference page 7, this service area also focuses on developing future events for Queensland to ensure our state benefits from the boost that major events can provide to the tourism industry and the economy. I know that earlier you touched a bit on the importance of the Gold Coast marathon. Recently I attended the V8s event in Townsville that was held earlier this month, a fantastic event. Thousands of people were there. There were benefits for regional tourism. The hotels were packed, the restaurants were packed and there was activity out there. People travel from all around North Queensland and even South-East Queensland to attend. I want to ask, firstly, why you did not attend as minister and, secondly, what is the future of V8s in Townsville?

**Mrs STUCKEY:** I thank the honourable member. I would have very much liked to have attended. I am very glad that you did so that you could see that firsthand, because I get some great reports. That was the same weekend as the Gold Coast Airport Marathon and I had duties. It is very difficult to get to Townsville when you are—

**Ms PALASZCZUK:** But you would agree it is a very significant regional event as well?

**Mrs STUCKEY:** I am giving you the answer to the first part of your question, which was why I did not attend. I do hope that you can accept that I cannot be in two places at once. Again, I am very glad that you went along. I had reports that it was a very successful event.

The three races that are called the V8s are held in Townsville, Ipswich and the Gold Coast. The contracts for those actually do not expire until October. There has been a number of changes with the CEO; we have had three CEOs heading up the V8s, which has created a hiccup during the negotiations, but the negotiations have been ongoing. We certainly recognise the economic benefit of major events. That is why I am pleased to say that those talks are progressing. We will certainly let you know when we have some outcomes.

**Ms PALASZCZUK:** I noticed in your answer to question on notice No. 3 that you said that the contract around these events on the Gold Coast, in Townsville and in Ipswich will run out essentially after the 2013 Gold Coast event. Do you feel that these negotiations are on track? Is there every confidence that these events will continue in Townsville, in Ipswich and on the Gold Coast?

**Mrs STUCKEY:** I once again thank the honourable member for the question. As I mentioned earlier, yes, those contracts all come to an end for the three years in October.

**Ms PALASZCZUK:** But as the minister you must have a view. Do you see those three events continuing, or would you envisage two? There is a huge racing community out there who follow and attend these events and who plan ahead. What is your view about the future of the V8 Supercars?

**CHAIR:** Maybe you should reword that question rather just than repeating it.

**Ms PALASZCZUK:** Yes. Minister, could you outline the future of V8 Supercars in Queensland?

**Mrs STUCKEY:** I thank the honourable member for the question. I cannot tell you if I am a revhead or not, because that would be an opinion, wouldn't it?

**Ms PALASZCZUK:** It could be a statement of fact.

**Mrs STUCKEY:** I think we will leave that conversation for another time. To try and give you a more complete answer, I cannot pre-empt current business negotiations. We do have a new CEO, and I have been able to have only one meeting with him. I am sure honourable members have heard that his father was tragically killed and we had to postpone our meetings by a couple of weeks, so that has delayed things. I do not think anybody would argue that that was unfair. I am confident that negotiations are proceeding well. We are in regular contact, and we certainly recognise the success of the Townsville race. Ipswich is coming up pretty soon, of course, followed by Gold Coast. I am confident of a positive outcome.

**Ms PALASZCZUK:** Negotiations are currently underway—

**Mrs STUCKEY:** As you would expect them to be.

**Ms PALASZCZUK:**—but you cannot give a commitment to the future of the three races?

**Mrs STUCKEY:** It would be completely improper of me to pre-empt those discussions. We are in negotiations—

**Ms PALASZCZUK:** Minister, I beg to differ. You could say, 'Yes, I support all three venues continuing.' I am happy to move on.

**Mrs STUCKEY:** I have told the honourable member that I am confident of a positive outcome, so I am not quite sure what you do not get about that. But let us move on.

**Ms PALASZCZUK:** Just following up, will you guarantee the same level of funding?

**CHAIR:** I think that is part of the negotiations.

**Mrs STUCKEY:** I would not be able to pre-empt what those negotiations are. As you can understand, there is a lot of toing and froing going on.

**Ms PALASZCZUK:** I look forward to the outcome of the negotiations.

**Mrs STUCKEY:** Could I also say, though, that the government is going to make sure that our events do give us a great return on our investment—that KPIs are put in place which were not put in place by the previous government, and that therefore the taxpayer will be able to see a return on their investment for the events in which we invest.

**Ms PALASZCZUK:** I want to move on now to SDS page 34, where the core functions include promoting and marketing Queensland and its world-class destinations. Minister, there has been a huge issue down at the Gold Coast recently, and I know that—

**Mrs STUCKEY:** Only one issue?

**Ms PALASZCZUK:**—you are not only a Gold Coast member but also a Gold Coast minister. That issue is around beach erosion. I have been down there. I have seen it firsthand. It is having a huge impact. I know that the mayor has some very strong views. Minister, why will the government not commit the \$15 million that the mayor has asked to restore the Gold Coast beaches to their pristine state?

**Mrs STUCKEY:** I thank the honourable member for her question, and I am glad that she has been down and visited. I wonder if you visited Currumbin? We actually just won the cleanest beach award for Queensland.

**Ms PALASZCZUK:** I did not get to Currumbin, unfortunately, because of time.

**Mrs STUCKEY:** I invite you personally. Maybe come down while the Swell Sculpture Festival is on. That is because people have taken care of their beaches. It is because people on the Gold Coast do put a value on their beaches. For a long time beaches have been the responsibility of the local council. Now, just like the state government have responsibilities for our hospitals and our law and order, council does have its specific responsibilities. That is why the government do not believe that it is their specific responsibility.

Might I also add here that the Gold Coast has some 52 kilometres of beaches. I am not at all disputing or discounting that there is some severe erosion, but, of the 52 kilometres, it is a very small amount that has severely eroded. Having said that, and having lived on the Gold Coast for 26 years now, I am a very avid supporter of not just our tourism industry but also the lifestyle of our residents. Over those years I have watched the sand come and go. In fact, I am on record as complaining about too much sand on one of the desert beaches in my electorate. So I am very aware of what Mother Nature does, but I am also very, very aware that the Gold Coast City Council has a budget of over a billion dollars to be fixing their beaches in the manner that they should.

**Ms PALASZCZUK:** Minister, have you sat down with the mayor to discuss this issue at length?

**Mrs STUCKEY:** I thank the honourable member for jogging my memory there, because before Easter I actually called an urgent meeting, and we had council engineers and officers sitting down around a table. I had some people from Tourism and Events come along as well—I do not think they are here today with us—but there were about eight or 10 people in the room. We all unanimously agreed to do nothing about putting sand on the beaches before Easter because it would simply be washed away again, and that has proved to be the case. I understand that council have got on with doing some of their own refurbishment around the Surfers Paradise beach. I have also met with the mayor on a number of occasions since on various issues that affect the Gold Coast, of course, and I did take part in the Ocean Beaches Strategy consultation process willingly and wrote to ministers as well to highlight the issues and to see what resources our government has in the form of data or the like.

So the bottom line is that it is the council's responsibility. The bottom line is that tourism operators are talking to me and saying that the negative media is doing them more harm than anything else. This was the case before Easter. The people who run those beautiful B&Bs and the theme parks are also saying to me, 'For goodness sake, the Gold Coast is more than beaches. Please do not insult us by driving everyone away through the media.'

**Ms PALASZCZUK:** Have you been down on the beaches and physically had a look at the erosion?

**Mrs STUCKEY:** I visit my beaches regularly.

**Ms PALASZCZUK:** But the ones that have suffered the erosion. Have you physically walked on the sand and seen the erosion firsthand?

**Mrs STUCKEY:** I have physically walked on the sand since before Easter and now on at least half a dozen beaches.

**Ms PALASZCZUK:** Government is about working cooperatively with councils. We have seen how it has worked cooperatively during the floods, and we were talking about the floods earlier on. The state government works hand in hand with the council. Why, as Minister for Tourism, are you refusing to help the mayor and help the Gold Coast get back on its feet?

**Mrs STUCKEY:** Contrary to what the honourable member is suggesting, I have just explained that I have had meetings.

**Ms PALASZCZUK:** But nothing has happened.

**Mrs STUCKEY:** We have brought people to the table, and I certainly have expressed my concerns that the council should have done a lot more before now.

**Ms PALASZCZUK:** You have just said it is the council's responsibility.

**Mrs STUCKEY:** As it is a council responsibility. My tourism budget is for marketing and promotion, and that is exactly what I will keep doing. We will have to do that a whole lot harder because, as I have said, those tourism operators are more angry and upset at the negative media—which is page after page, day after day—showing a Gold Coast that apparently has totally washed away, when in reality it is a small section. It is a council responsibility, which is why the mayor has decided to proceed with the renovation and rejuvenation.

**Ms PALASZCZUK:** Minister, can I just go back? You said that you convened a meeting or attended a meeting before Easter. Has there been a subsequent meeting? If not, why not?

**Mrs STUCKEY:** In the same context as the meeting we had before Easter, I have not called one. But neither has the mayor, and the ball was in his court to continue that.

**Ms PALASZCZUK:** Minister, how important is tourism for the Gold Coast?

**Mrs STUCKEY:** Tourism and construction are the key industries on the Gold Coast. The construction for the Commonwealth Games Aquatic Centre is boosting our tradies and giving them some work as well. Tourism is of course important. You know, honourable member, I would just ask you to take a look at the figures from March 2012 to March 2013 which include certainly very inclement weather, and you will see that the Gold Coast had a 19 per cent boost in international tourists. That is more than they have had for years. When you poll international tourists on how they find our beaches, they actually think they are better than anything they have ever seen. Do not take it from me; it was in the *Gold Coast Bulletin*, the gospel of the Gold Coast. Visitors from Vietnam, Brazil—you name it—all thought our beaches were pretty sensational. Their only complaint was that they did not like the machinery on the beach that was moving sand around.

**Ms PALASZCZUK:** What were those figures? Do you have those figures now? You said there was a 19 per cent increase.

**Mrs STUCKEY:** To the year ended March 2013, domestic visitors—which I did not mention—were up by 10 per cent and international visitors were up 19 per cent.

**Ms PALASZCZUK:** Just for clarification, is it up 19 per cent or 19 per cent total?

**Mrs STUCKEY:** The extra international visitors were 19 per cent.

**Ms PALASZCZUK:** I think I heard you say that there is a tourism subcommittee of cabinet; is that correct?

**Mrs STUCKEY:** It is the Tourism Cabinet Committee. It is not a subcommittee.

**Ms PALASZCZUK:** Have you raised the issue of the impact of the beach erosion on the Gold Coast with any other member of the cabinet or as part of this Tourism Cabinet Committee? I just want to know personally what you are doing as minister to highlight this issue to your cabinet colleagues.

**Mrs STUCKEY:** As I mentioned earlier, honourable member, I wrote to ministers earlier this year. After the meeting that I called with the mayor before Easter, which determined that nothing would be done, I wrote to the ministers then. Has it been put before the Tourism Cabinet Committee? No, because we are due to meet in the coming weeks and we have not met for a couple of months.

**Mr HART:** Minister, the Service Delivery Statement at page 25 talks about the Commonwealth Games. Can you please outline for us the work undertaken in the last 12 months as part of the preparations for the Commonwealth Games 2018?

**Mrs STUCKEY:** I thank the honourable member. As he is a Gold Coast member, I think he knows the excitement that has been happening on the Gold Coast around the Commonwealth Games and he also is quite aware of the predicted \$2 billion worth of economic benefit that they will bring. To date, most of the work that has been undertaken by GOLDOC has focused on the preparation and planning stages.

The Gold Coast community has benefitted, and will continue to benefit, from hosting the games. On top of a predicted \$2 billion economic benefit, it will also create some 30,000 jobs. As we have already discussed today, the start of the redevelopment of the Gold Coast Aquatic Centre has been undertaken, and Economic Development Queensland, under the Deputy Premier's department, will take possession of the games village site in October of this year. Gold Coast businesses feature

heavily in the redevelopment of the Gold Coast Aquatic Centre—or the Southport pool, as we proudly call it. As at 30 June this year, 50 per cent of the firms which tendered were from the Gold Coast; 64 per cent of the firms which won business were Gold Coast firms—I do not include Tweed Heads here; and 96 per cent of firms which won business were South-East Queensland firms.

GOLDOC complies with the state procurement policy and the local industry policy, which aims to ensure that local suppliers are given full, fair and reasonable opportunity to tender for opportunities related to the games. Very significant procurement activity will be undertaken in the lead-up to the games in 2018. These activities will occur through a number of government agencies, the Gold Coast 2018 Commonwealth Games Corporation and City of Gold Coast. I want to take this opportunity to settle some misconceptions about the specialist advisory council that was formed. It is a panel of providers of specialist advisory services for a period of two years initially. This will relate to planning work for GOLDOC only and the value in 2013-14 is estimated to be approximately \$600,000, not the \$100 million that was reported in the *Gold Coast Bulletin*.

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

**Mr YOUNG:** Minister, I want to touch on some of the outcomes of the \$20 million Tourism Investment Strategy allocated to Tourism and Events Queensland in the 2012-13 budget.

**Mrs STUCKEY:** I thank the honourable member. I understand you would have a very high interest coming from an area that has such natural beauty and potential that we are already recognising. The 2012-13 state budget included an allocation of \$20 million to implement the Tourism Investment Strategy, or TIS as we call it. This money was to focus on destination marketing and tourism attraction. The TIS saw \$8.5 million invested directly into destination marketing campaigns targeting domestic travellers in Australia rather than international. But we have not forgotten the international market, because \$7.5 million was invested in international marketing activity, including a \$1.5 million focus on China amid intense competition among interstate rivals to capture some market share there. There is \$1 million towards promoting significant major events including our Gold Coast Airport Marathon, the Noosa International Food and Wine Festival, Tropical North Queensland Season of Sailing, the Outback Festival and Brisbane events. There is also \$3 million towards product content and distribution and product and experience development projects. The focus of the TIS has been to develop campaigns and activity in collaboration—close partnership—with the RTOs and other key stakeholders such as airlines, accommodation and distribution partners.

I am very pleased to inform the committee that the TIS package supported the very first brand campaign for the southern Great Barrier Reef region. This brought together Bundaberg North Burnett Tourism, Gladstone Area Promotion and Development and Capricorn Enterprise to promote the broader southern Great Barrier Reef region, both domestically and internationally. I am not sure if honourable members have seen this campaign, but it is very creative. It promotes the message that the southern Great Barrier Reef is 'where great begins'. Our TIS is underpinned by key performance indicators to make sure that the investment results in benefits for our industry.

**Ms MILLARD:** Minister, I refer to the SDS at page 34. Could you please outline what Tourism and Events Queensland is doing to promote Queensland in China?

**Mrs STUCKEY:** I thank the honourable member for the question, a very important one for the future to target a market as large as China. It is our second largest international source market and it recently became Queensland's leading international leisure market representing 14 per cent of all of our leisure visitors to Queensland. I am very pleased to tell honourable members that for the year ending March 2013 Queensland welcomed 279,000 Chinese visitors. That is up 23 per cent when you compare that to the year ending March 2012. These visitors spent \$511 million, and that is up 20 per cent on spend when compared to the year ending March 2012.

Tourism and Events Queensland works in close partnership with the industry to promote Queensland in China and is led by our in-market representation in Shanghai—the wonderful, the very capable Grace Pan and her terrific team. I am delighted to inform the committee that Tourism and Events Queensland will shortly release smart phone applications specifically to promote Queensland in the China market. These applications will use both Apple and Android platforms and will act as a tool for Chinese travellers planning a trip to Queensland, as well as acting as a travel guide within Queensland. Queensland has been heavily promoted in the China market over the last 12 months, with highlights including a South China campaign with influential wholesalers targeting group travel for those between the ages of 25 and 29; campaign activity with China Southern Airlines to increase the capacity from Guangzhou to Brisbane; and partnering with Qantas, Destination NSW and Ctrip online travel agency to increase inquiries and drive sales of fully independent traveller tour packages to

Queensland. After all, the FIT traveller is the one that we really need to mature and develop, as well as of course those coming on tour for the first time. We also have a campaign with China Eastern Airlines to drive sales on their services between Shanghai and Cairns.

There was a greater China mission in March 2013 supported by Destination NSW, and that mission alone attracted 45 Queensland operators—the largest ever contingent to travel to the market. Of course, we must not forget the tourism investment mission that the Treasurer led and graciously allowed me to accompany him on in July last year. Culture awareness training for Queensland operators to equip operators with knowledge to engage effectively with the China market is ongoing.

**Mr HOLSWICH:** Minister, your strategic direction on page 2 of the Service Delivery Statements quite rightly acknowledges small business as being the engine room of Queensland's economy and also talks about the implementation of Queensland's Small Business Strategy and Action Plan. Part of that strategy and action plan is the Think Queensland, Buy Locally campaign. Are you able to elaborate on that campaign and what that is doing to help Queensland's small businesses?

**Mrs STUCKEY:** I thank the honourable member. I am very pleased that you ended up asking a question about this because—I do not want to offend other members—this guy is the local champion for small business. He has been absolutely amazing in his support of small businesses before he was elected and of course since. I want to acknowledge you in front of everybody today for such a fantastic effort. There are some 4,009 small businesses in the Pine Rivers electorate. They are already realising the benefit of buying locally thanks of course to the efforts of their local member. He established his own Buy Local campaign for Christmas and therefore he was instrumental in the thinking that went behind our Think Queensland, Buy Locally campaign. This was launched on 25 March this year with the Premier and I when we signed an agreement with the Chamber of Commerce and Industry Queensland to engage members of parliament—all members of parliament—and local chambers in a Think Queensland, Buy Locally campaign.

By thinking locally first and buying locally, Queenslanders are able to make choices that will have a dramatic effect and impact on their local communities and economies, particularly those in flood affected areas. As at 27 May this year, more than 14,000 stickers have been distributed and material has been downloaded 235 times from the business industry portal. The more customers that local businesses get, of course the more jobs that can be created and the more people can be employed. The aim of the Think Queensland, Buy Locally campaign partnership with CCIQ is to provide tools and basic support for locally driven campaigns and to champion local communities such as yours, honourable member, to run local purchasing campaigns, to assist local members of parliament to promote the benefits as well and to grow local spend in local communities. One feature of the campaign coming up very soon is the Buy Locally Saturday on 27 July. This day will be a part of the inaugural Queensland Small Business Week and will focus shoppers' attention even more on our beloved local small businesses.

**Mr HOLSWICH:** Just a quick follow-up question, thank you, Minister, for that endorsement. If you can send a copy of that to my local newspapers, I would be very appreciative.

**Mrs STUCKEY:** I will let you do that.

**Mr HOLSWICH:** In your answer you talk about partnerships. Can you elaborate on that aspect of these programs a little bit more?

**Mrs STUCKEY:** I thank the honourable member. I think I have probably given him enough kudos now, but I do recommend that you perhaps copy the *Hansard* and circulate it—I am sure you are quite capable of doing that—to your local media outlets. As I said earlier, on 25 March this year the Premier and I signed an agreement with the Chamber of Commerce and Industry Queensland to engage members of parliament with this campaign. We are actively engaging with CCIQ's network of over 130 chambers of commerce, and I understand many honourable members belong to chambers throughout the state. The proposed budget for this initiative is less than \$50,000. However, it has been leveraged significantly through in-kind contributions by local members and local chambers of commerce. I take this opportunity to thank all of the members who have embraced this campaign and have supported it, and I thank them on behalf of Queensland's 412,000 small businesses. The other partners in the Think Queensland, Buy Locally campaign include many small and medium businesses, business enterprise centres, local business groups, regional development organisations and local councils.

**CHAIR:** Can we just touch on the Mentoring for Growth program that your department runs. You might be able to explain to the committee how that operates and how it helps small businesses.

**Mrs STUCKEY:** I thank the honourable member for the question. I have to say that I actually took part in a Mentoring for Growth session last year in Toowoomba and was able to see firsthand how valuable this program is, and it is terrific to also note that one was held in the honourable member's electorate recently, which I understand was very well supported. Mentoring for Growth is a suite of business mentoring programs delivered by my department. It is provided at no cost at all to business and connects firms to experts who help with growth opportunities and challenges through a panel of up to 10 volunteer mentors. I actually joined the panel and became one of the mentors when I visited Toowoomba, and I am keen to do so again if I am invited in different regions where these are being held. We actually deliver Mentoring for Growth in partnership with regional service centres of the Department of State Development, Infrastructure and Planning. It is a best practice program addressing many issues that are raised in international networks involved in business growth and equity raising. I am pleased to say Mentoring for Growth continues to evolve to meet the needs of businesses. Under the Mentoring for Growth banner, programs are developed to meet the needs and include Mentoring for Growth, Mentoring for Investment, Mentoring for the Pitch, Mentoring for Export and Mentoring for Recovery. The Gympie Mentoring for Recovery session that was held was so successful that we have planned another session for this month on 30 July.

Every Mentoring for Recovery session, as opposed to Mentoring for Growth, consists of up to six mentors with diverse business experience who are able to address the many scenarios faced during recovery. Businesses are able to draw on the panel's knowledge to develop strategies to get their operations up and running again. My department assisted 93 businesses from a target of 80 businesses under Mentoring for Growth and we engaged 830 volunteer business mentors who obviously gave their time in a voluntary capacity to assist businesses. Since the election of the Newman government, mentors have contributed over 1,000 hours to the program, with an extra hour for preparation and travel time for mentors. At an industry standard of \$300 per hour, the value that we have estimated of time provided by mentors is \$633,000. As a result of the program in 2012-13, participant businesses have reported increased turnover and over \$580,000 has been invested in research and development.

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

**Ms PALASZCZUK:** Minister, earlier you were quoting some figures about tourism numbers on the Gold Coast. I was just wondering if you would be happy to table those for the benefit of the committee. I would be interested to see them, unless you want to just read them out again.

**Mrs STUCKEY:** I will certainly get that for you.

**Ms PALASZCZUK:** Thank you. Minister, earlier we were talking about the growth of the number of flights from China coming into Queensland. I now want to turn our attention to Cairns. I notice that there were some recent reports about how China Eastern Airlines had suspended its services for 12 weeks. Can you give an outline to the committee the reasons behind that? Are they going to resume? I just wanted an explanation, if I could.

**Mrs STUCKEY:** Yes. I thank the honourable member. It is certainly an exciting development in acquiring that service. Could I just respond very quickly to something that you asked before?

**Ms PALASZCZUK:** Sure.

**Mrs STUCKEY:** I will provide those figures. It was a chart that I used. As far as the figures from the Gold Coast, the 19 per cent does relate to arrivals at the airport. So the airport figures are up. You will see that, when we report tourism figures, some are domestic, some are international, some are airport arrivals, some are bed nights. So it depends what you are reporting specifically on. May I please table where I received the figures?

**CHAIR:** Is leave granted? Yes.

**Ms PALASZCZUK:** Thank you.

**Mrs STUCKEY:** Could I also report on a question you asked earlier as to the attendance of the board?

**Ms PALASZCZUK:** Yes.

**Mrs STUCKEY:** Of the seven meetings that have been held, Mr Chamier, the board chairman, seven out of seven; Sam Coffa, five of seven—he is the deputy chair from the federation; Perry Crosswhite, seven of seven; Mike Victor, seven of seven; Stephen Conry, seven of seven. You also asked about conflict of interest and Jones Lang LaSalle. He has no current involvement. His was a past senior role.

**Ms PALASZCZUK:** Okay.

**Mrs STUCKEY:** I beg your pardon, sorry: Nigel Chamier was the head of Jones Lang LaSalle a number of years ago but has no current involvement. Stephen Conry, seven out of seven attendances—he is the CEO at the moment; Catherine Tanna, six out of seven; Dennis Chant, seven out of seven; and Glynis Nunn-Cearns, six out of seven.

**Ms PALASZCZUK:** It is a very important board so it is good to see those attendance figures.

**Mrs STUCKEY:** And they take it very seriously, as I have found when I have been invited to attend. The pecuniary interest declarations were provided by all board members upon appointment and all of the meeting agenda include a specific item for declaration of any potential conflicts of interest. All board members recently attended a corporate governance refresher session that included the management of potential conflicts of interest. I hope that satisfies that earlier question.

**Ms PALASZCZUK:** Yes.

**Mrs STUCKEY:** Now on to China Eastern. There was great excitement when we signed a letter of intent and an agreement with China Eastern last year. That agreement was for seasonal services as opposed to scheduled services, which are your regular services out over a long period of time. I understand that China Eastern recently made a decision to suspend services for a matter of weeks and resume in November. So as far as we are concerned they have honoured the agreement that we signed with them and there is no cause for alarm.

What we are realising with the Chinese market is that they have a low season that is a different time from ours. It is really interesting. When they say 'winter', I do not think they have quite grasped yet that winter, particularly in Cairns, is an extremely pleasant time. In fact, it is probably the preferred time for some of us to visit there, because it is less humid. So whilst we are making great inroads into the Chinese market, this has highlighted the need for us to educate better. I remember being there in July last year and hearing the exclamations when you pull up a banner and say, 'This is winter where I live,' and they see the sunshine and the blue sky. They just simply could not believe. So this to me has given us a fantastic opportunity to refresh our product around the areas. It gives the operators a chance to move ahead with some of the issues—the specific things that Chinese travellers like such as the language, such as wi-fi, such as TV coverage in their native language. So I do not see any cause for alarm at all.

**Ms PALASZCZUK:** And are the tourism operators responding quite well to make sure they reflect what the Chinese visitors are wanting? What sorts of processes do you have in place within the department to basically encourage—

**Mrs STUCKEY:** Encourage operators to—

**Ms PALASZCZUK:** You have just said that the Chinese visitors who are coming into Queensland are in the largest numbers. So it is obviously a big issue out there. I have been to tourism breakfasts where people are saying that they need more interpreters. Like you said, they need programs in their language. As minister, how are you leading this process to make sure that when Chinese visitors come here they are having the best Queensland tourism experience possible? That may be putting things on signs in Chinese—like in our national parks, where we used to always have it in I think Japanese and German—

**Mrs STUCKEY:** Japanese: 'Konnichiwa'. It is a valid point. And I think if you look at *Hansard* of last year you will see that, as I said, you do not learn Mandarin or anything at a TAFE course in six weeks; it takes a lot longer to educate. However, there are some simple things we can do. QTIC—the Queensland Tourism Industry Council—with whom we signed a partnership, is doing quite a lot of work in that space, I understand, as far as education and capacity goes. There has also been a Skills and Training Taskforce through the education minister's portfolio that is looking at that. I understand our BIP now has a tourism pathway. I think we have some Chinese focus there. I am just trying to think exactly what they are, but if you go on the BIP we have put some technology there. Tourism Events Queensland is running China-ready programs on a fairly regular basis as well. So there is quite a lot of happening in that space but, as I said, to really get up to speed with the Chinese market, as with, I suppose, many of the Asian markets or the Japanese, the language does take quite a while to get your head around.

**Ms PALASZCZUK:** Thank you, Minister. I want to go back to the Commonwealth Games village. I refer to your comments at estimates last year in relation to moving people or organisations to make way for the Commonwealth Games. You stated that you have an—

... open-door consultation policy with these groups to make sure we are able to move them to other locations that are suitable and appropriate in a timely manner.

I want to refer to comments from the Gold Coast Harness Racing Club president. He said—

I've met her—

meaning the minister—

once at a VIP lunch and we raised a few points and she said 'Well, I like a good fight'.

Can you please elaborate? Is this how your open-door policy works?

**Mrs STUCKEY:** I thank the honourable member for the question. I had quite a chuckle when I read that article. I certainly did not say those words.

**Ms PALASZCZUK:** It is from your favourite newspaper as well.

**Mrs STUCKEY:** From the gospel? From the Gold Coast bible?

**Ms PALASZCZUK:** Your favourite newspaper.

**Mrs STUCKEY:** The Gold Coast bible. Yes. Firstly, let us clarify that I certainly did not say those words.

**Ms PALASZCZUK:** Misquoted.

**Mrs STUCKEY:** Whatever. Mr Grimsey had every opportunity to come and see me in the early stages. I did have an open-door policy. I introduced myself to Mr Grimsey at the opening of the Gold Coast show last year. I think that was August. I cannot give you the exact date, but I introduced myself to him because he had not made himself known to me. I was dealing with who I thought in the harness racing industry spoke for everyone and that was higher up the tree, as it now appears. At the end of the day, harness racing falls under the portfolio of the Minister for Sport and Racing and I understand that he has been dealing with that since. So whilst I have endeavoured to, as amicably as possible, relocate all of the people who have been affected by a decision of the former government, I might say, to have the Parklands village there that—

**Ms PALASZCZUK:** You cannot continue to blame the former government, Minister. You are the minister.

**CHAIR:** Please.

**Mrs STUCKEY:** Then rather than blame the former government, as the member is indicating I am trying to do, the bottom line is that harness racing did sign an agreement with your government, the former government, that they would vacate that site and they were of the understanding that they needed to.

**Ms PALASZCZUK:** For my next question I refer once again to the Commonwealth Games and Tourism and Major Events. I refer to recent comments from members of the Queensland Police Union, including President Ian Leavers, and comments from the Gold Coast Tourism CEO, Martin Winter, about crime on the Gold Coast, which they have stated may tend to lead to lower international tourism numbers, particularly from the UK. Minister, does the Gold Coast have a crime problem that may impact on tourism numbers?

**CHAIR:** Leader of the Opposition, you may wish to consider that question, because I am concerned that it may go into a different portfolio area. If you are asking about a crime problem—

**Ms PALASZCZUK:** No, these are statements from people about the impact on tourism. So I am asking the minister whether she sees that this is also having an impact on tourism numbers.

**CHAIR:** Perhaps that is a better way to word it. Thank you.

**Mrs STUCKEY:** Are you asking me for an opinion?

**Ms PALASZCZUK:** No, I am not asking you for an opinion. These are statements of fact by the people of mentioned. I would like to know: in terms of tourism, is that having an impact on the Gold Coast?

**Mrs STUCKEY:** The figures that I expressed before are from March 2012 to March 2013. They do show an increase in visitation. It has certainly not hampered our marketing or promotional exercises. As I have said in the past to media, if you open a newspaper anywhere in Australia or in any other city on any day there is bound to be a crime committed somewhere, somehow. Our government has tasked extra police to a number of areas so that we are able to maintain a safe presence, as best we can. Do I believe that the Gold Coast has a crime problem? I do not believe it is greater than in other areas. I also do not believe that putting a focus on it is helpful, just as putting a focus on eroded beaches day after day is not helpful for tourism. The tourists can feel safe coming to the Gold Coast. We are a destination where we have a good police presence and we have a caring community.

**Ms PALASZCZUK:** Thanks, Minister. I refer to page 34 of the SDS and providing \$7 million in financial support to the regional tourism organisations network to grow regional tourism. I refer to your answer to question on notice No. 1, which shows \$9 million in funding to regional tourism organisations, and then to question on notice No. 5, which shows \$7 million for the last financial year. Could you just clarify why there are two different figures there?

**Mrs STUCKEY:** Honourable member, which question on notice was that?

**Ms PALASZCZUK:** It was No. 1 and No. 5.

**Mrs STUCKEY:** There is \$7 million, which is the total amount of money that is given to the RTOs for contestable funding. Now, \$3.1 million of that comes from the department, and Tourism and Events Queensland was directed to put \$3.89 million in contestable funds towards the RTOs, which is where that figure comes from. So the \$3.89 million is found within the Tourism and Events budget for this year and the \$3.1 million comes from the department and is shared among those 13 RTOs. I think you have the figures for that there. So \$7 million is the amount of money for RTOs.

**Ms PALASZCZUK:** Okay.

**Mrs STUCKEY:** I beg your pardon, the director-general has just reminded me that included in that is the \$2 million difference for convention bureaux.

**Ms PALASZCZUK:** Is for? Sorry?

**Mrs STUCKEY:** Convention bureaux. They are included in that as an RTO. I do not consider the convention bureaux as one of our 13 RTOs, which is why I did not address that.

**Ms PALASZCZUK:** Thank you.

**CHAIR:** Member for Mount Isa, do you have any questions?

**Mr KATTER:** No.

**Mr HART:** Minister, I refer to the strategic direction as part of the departmental overview on page 2 of the SDS. This financial year your department will implement the Queensland Small Business Strategy and Action Plan. Mentioned in the strategy and action plan is the Queensland Small Business Advisory Council. Can you please inform the committee of the role and the achievements of the council?

**Mrs STUCKEY:** I thank the honourable member for the question and I have just got some breaking news which is fairly exciting about small business and it is certainly going to be very pleasing for the honourable member. I am really happy to congratulate Burleigh Brewing Company for last night winning the Telstra Queensland Business Award. This is an outstanding achievement for a very small brewery and I have got to say they make a nice drop of beer. Probably the most infamous one though is called 'My wife's bitter'. Apparently that does raise a few eyebrows in a few places. If I may, could I just table the document announcing the win.

**CHAIR:** Is leave granted? Aye, leave is granted.

**Mrs STUCKEY:** Congratulations Burleigh Brewing Company.

**CHAIR:** We look forward to the samples from the member for Burleigh.

**Mrs STUCKEY:** I understand we might be having a Gold Coast night in the parliament down the track so perhaps we will have some of that. Getting back to the question that the honourable member asked, the Queensland Small Business Advisory Council provides the government with an opportunity to hear firsthand the issues facing business operators on a day-to-day basis. This council has been tasked specifically with providing input on identified small business issues, providing feedback on proposed small business policies and bringing to the government's attention systemic and emerging issues which impact on small businesses. During 2012-13 our activities included identification of small business needs based on geographic and industry sector, providing input into the government's framework for a reduction of red tape and regulation, assisting in the development of the Small Business Strategy and Action Plan 2013-15—which I have here a copy of if people have not seen—also the 'Think Queensland buy locally' campaign and small business week. They also guide and advise on the identification of opportunities to engage small business in the lead-up, development and conduct of the Gold Coast 2018 Commonwealth Games.

Probably of most importance to this committee is the fact that the council consists of individual business operators and representatives of business and industry associations. None of these people are remunerated. This year I reappointed all members of the advisory council, including Mr Nick Behrens from CCIQ; Ms Jemima Dunn from the Australian Industry Group; Ms Margot Richardson

from CPA Australia—she is based in Cairns; Mr Ralph Edwards from the Franchise Council of Australia; Mr Tony Axford, former CEO of Business Enterprise Centre; Ms Cheryl Springer from Springers Solar; and Mr Shannon Scott from Taste South Burnett. Four meetings of this council were held during 2012-13, one at the Gold Coast and three in Brisbane. It is a really hands-on committee and I am very privileged to have them in my department.

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

**Mr YOUNG:** I refer to the Minister's answer to question on notice No. 15 from 17 June 2013. Could the minister please elaborate on the Events Flood Assistance Program that Tourism and Events Queensland ran following the severe weather events earlier this year?

**Mrs STUCKEY:** I thank the honourable member. We have already mentioned that some regions have been hit a number of times in recent years and it has been very difficult for them to recover, particularly our small businesses and those local communities. That is why we acted so swiftly to introduce disaster relief measures. As the regions began their long struggle back to recovery, we needed to ensure that visitors returned. The regional events as we know play a key role in generating economic and social benefits across Queensland. That is why I gave the direction to Tourism and Events Queensland to offer a one-off \$150,000 Events Flood Assistance Package.

**CHAIR:** Very popular.

**Mrs STUCKEY:** This program made available financial assistance to events in council areas declared flood affected by the Natural Disaster Relief Recovery Arrangements that have suffered or been cancelled as a result of that flooding. The funding was available to cover the marketing costs to drive visitation to the event, to engage specialised personnel to develop the event and to hire temporary infrastructure to improve the visitor experience. I am pleased to say that the program supported 17 regional events, including the Village Festival held in Yeppoon. It will be held there on 16 to 18 August this year. So I hope the honourable member will be able to attend that.

**Mr YOUNG:** I have already accepted the invitation.

**Mrs STUCKEY:** On my behalf I hope as well. Other events include the Heart of Gold International Film Festival in July that we are just having now, aren't we, in Gympie. The Cane to Coral Classic on 4 August in Bundaberg and the Tom Quilty Gold Cup in Kilkivan in the Callide electorate coming up in June—sorry, I beg your pardon, that one has been.

**CHAIR:** Thank you, Minister. Just for your information, I think there was over a thousand film entries from around the world for the Heart of Gold International Film Festival.

**Mrs STUCKEY:** I was told that it was going to be very successful and no doubt with your enthusiasm as well that was part of the reason.

**CHAIR:** Thank you. Member for Sandgate?

**Ms MILLARD:** I refer to the SDS page 2. What does the legacy plan entail and how will this help the delivery of the 2018 Commonwealth Games?

**Mrs STUCKEY:** I thank the honourable member for the question. Before I respond, in addition to what I have already given the honourable member for Inala, I have a table of Gold Coast airport passengers which highlights the 19.7 per cent increase in visitors. May I table that?

**CHAIR:** Leave granted? Aye, leave is granted.

**Mrs STUCKEY:** The word 'legacy' has been used quite a lot lately and it is important to remember that what we are talking about here is the major sporting event in Australia for a decade. I understand the honourable member's interest in the Commonwealth Games. As with many Queenslanders, she understands that whilst it is being hosted on the Gold Coast it belongs to Queensland and to Australia as part of the Commonwealth. The government is committed to ensuring that we get lasting benefits from the games right across our great state. So in collaboration with the city of the Gold Coast we are developing a legacy plan. The plan will outline how we can use the local, national and international profile of the Commonwealth Games to provide benefits to Queensland. In March of this year we commenced a three-stage community consultation process to inform the development of the plan. As part of stage 1 we commenced discussions with key stakeholders across sectors such as trade and investment, small business and sport and rec to identify how we can work together to achieve legacy outcomes that are beneficial to us all.

Stage 1 also includes an online survey for Queenslanders to put their ideas forward. I launched the survey on 19 April and we have had a number of responses so far. The survey is only open until 19 July. It is available at [www.legacy2018.com](http://www.legacy2018.com). You have got two days to respond if you would like to

have your stay. Stage 2 includes a series of community meetings across the Gold Coast and in Brisbane. During this month we will hear the views of stakeholders and community members. This stage will also involve market research about thoughts, trends and expectations surrounding legacy. Then during stage 3 we will test and validate the community's thoughts on potential legacy projects through online polling and we will launch the legacy plan at the end of this year accompanied by evaluation and monitoring framework and at this time we will also be revealing our new legacy2018.com website and legacy branding, and I am sure this committee will be very interested in that.

**CHAIR:** Thank you, Minister. Member for Pine Rivers?

**Mr HOLSWICH:** Thank you, Mr Chair. I want to go back to small businesses again.

**Mrs STUCKEY:** What a surprise.

**Mr HOLSWICH:** That's right, no surprise there. One of the stated objectives for 2013-14 for your department is delivering the inaugural Queensland Small Business Week. I know you have mentioned it already in response to a couple of questions, but I am just wondering whether you can expand on the importance of that week and how that investment from the Queensland government will benefit small businesses?

**Mrs STUCKEY:** I thank the honourable member. It is significant that this government is proving that small business is the backbone of our economy and we are recognising that through a number of activities and initiatives. The inaugural Queensland Small Business Week is certainly one of those. We will be delivering this from 24 to 31 July. The purpose is to promote the importance of small business to our economy, entice small businesses to engage with the government's business service and to facilitate and support knowledge uptake. There are a range of activities and events planned for this week and I have already mentioned to the honourable member for Mount Isa that we will be hosting a forum out in his patch to bring together a lot of the business people from that region. We will have business breakfasts, we will have workshops, training, forums and webinars and capture third-party activities which target small businesses. The broad theme of the week though is to help small business have a big future and it is intended to link small business, government and the community. The approach to increasing the value to small business is to engage with potential event hosts and third-party organisations across the state to promote it and encourage as many events and activities as possible to be co-branded and, of course, to be able to be included on the Queensland Small Business Week events calendar.

A feature I have mentioned already of this calendar, and it sits right in the middle of this week, is 'Buy locally Saturday' on 27 July. It will focus shoppers' attention on our local small businesses. The week will commence with a Council of Small Business of Australia 11th National Small Business Summit held at the Brisbane Convention and Exhibition Centre from 24 to 25 July. We will be having a lot of hosts and third-party organisations attending these events, including state and federal government, local council, chambers of commerce, tertiary institutions, banks, industry groups, industry associations, business development organisations and libraries.

**CHAIR:** Thank you, Minister, for your enthusiasm. Can I pick up on your answer to question on notice No. 15 in talking about some of the flood affected activities that your department has been involved in and can you please elaborate on Australia Day II?

**Mrs STUCKEY:** Thank you so much for the question. My eyes light up when I think of Australia Day II. My eyes cast down when I think of Australia Day I because it was such a dismal day and brings back such very sad memories for so many people across the state. The date 23 February took on a very special significance this year. It was the day that many Queenslanders had stolen from them a month earlier. They were able to enjoy Australia Day in the tradition that they had for so many years before. It was also an opportunity for communities to give thanks for the tireless work of our emergency services and everyday Queenslanders who chipped in to help those in need. Thanks to Tourism and Events Queensland and commercial partners, the Australia Day II message featured on the *Today* show and editorial mentions during the NRL All Stars and Twenty20 cricket broadcasts. We also had some star power to help us along. The hero of the lamb barbie, big Sam Kekovich, has been the face and the voice of this campaign from the start and he joined me at the Eagle Street Pier with a breakfast barbecue and a live cross on the *Today* show on 23 February. Mind you, I taught him a thing or two about cooking lamb chops that morning. We also went on and joined the Premier in Ashgrove to enjoy a local community barbecue and then it was off to Laidley. The Queensland spirit

was alive there as well, as Sam and I competed in a lamb cook-off. We were partners in that, I might say, and we came last because as I told you I don't really like the way he cooked the lamb chops. Kathy Brady from Laidley and Lockyer Valley Tourism organised so much of that event and is to be congratulated.

Right across our state the communities embraced the spirit of the day with events and activities, including Gympie hosting a CBD street party barbecue and cricket match; Maryborough and the Fraser Coast Regional Council held the inaugural Fraser Coast Australia Day Awards; Kingfisher Bay enjoyed a full day of festivities; Bundaberg celebrated Australia Day II with a community barbecue with the Premier; and in the Whitsundays there was live music and egg and spoon races. We had lamington eating, Vegemite face painting, thong throwing at the Big4 Caravan Parks and a seafood barbecue on Hayman Island. As you can see, the Australia day spirit was rekindled on 23 February.

**Ms TRAD:** Minister, given that you have tabled an additional document that has the figure of 19.7, I am wondering if you can clarify this for me, because there are now two documents we are working from. One is the Gold Coast Airport passenger figures and the other one is the figures presented by Tourism and Events Queensland. Can you clarify this, if I have misheard you or I have recollected incorrectly? You have said that the year-to-date increase on international passengers, I think, was 19.7 per cent. Is that year to date or for the month of March?

**Mrs STUCKEY:** March.

**Ms TRAD:** Tourism and Events Queensland actually has the year-to-date percentage increase for international visitors at three per cent for the Gold Coast.

**Mrs STUCKEY:** Yes. We are talking March to March on the Gold Coast Airport passengers.

**Ms TRAD:** No, we are not. The 19 per cent is an increase on February—

**Mrs STUCKEY:** I beg your pardon. We are talking month to month on Gold Coast Airport passengers.

**Ms TRAD:** So the real increase, for the benefit of the committee, in terms of international visitors to the Gold Coast is three per cent, March to March?

**Mrs STUCKEY:** Over a 12-month period, that is correct.

**Ms TRAD:** Three per cent, not the 19 per cent you stated before?

**Mrs STUCKEY:** I stand corrected.

**Ms TRAD:** Thank you very much. Minister, additionally, in relation to the issue regarding conflicts of interest for matters that have come before the 2018 Commonwealth Games Board, for my recollection did you state that there had been no conflicts of interest—

**CHAIR:** I think Mr Peters answered that question, so he may wish to clarify.

**Mrs STUCKEY:** May I call Mr Mark Peters to assist us with answering that question?

**Ms TRAD:** Thank you very much, Minister. Mr Peters, I wanted to clarify, for my recollection: did you state that no conflicts of interest had been presented to the board upon the deliberation of any matters that have come before the 2018 Commonwealth Games Board?

**Mr Peters:** When the board members were appointed they filled out the pecuniary interest document, where they stated their involvement in employment. During board meetings, there have been no declarations of conflicts of interest.

**Ms TRAD:** Are those pecuniary interests publicly available? Is it the government's intention to make those pecuniary interests publicly available?

**Mr Peters:** I am not aware of the government's intention. They are kept confidentially within our corporation.

**Ms TRAD:** Can I seek guidance from the minister in relation to those pecuniary interests. Considering the industrial relations transparency and accountability bill has provided a new era of transparency for a whole range of organisations outside and not connected with public life, Minister, is the government prepared to make the pecuniary interests of members of the 2018 Commonwealth Games Board publicly available?

**Mrs STUCKEY:** At this stage it is not a requirement.

**Ms TRAD:** It is not a requirement? Is that a no, Minister?

**Mrs STUCKEY:** I am saying at this stage it is not a requirement.

**Ms TRAD:** I take that as a no, Minister. The government has no intention to make those—

**CHAIR:** There is no need to badger the minister.

**Ms TRAD:** No, I am not badgering.

**CHAIR:** You do not need to put words in her mouth. She has given an answer.

**Ms TRAD:** I am asking: is it a yes or a no, Minister?

**CHAIR:** She gave an answer.

**Ms TRAD:** I am asking: is it a yes or a no, Minister?

**CHAIR:** She can answer in whichever way she sees fit. You understand that.

**Ms TRAD:** Thank you, Mr Chair. Is that a yes or a no, Minister?

**Mrs STUCKEY:** I have given my answer.

**Ms TRAD:** I think I have given my interpretation. In relation to the small business strategy that I have, which made for reasonable reading, in relation to one of the most contemporary issues that has been bubbling away—that is, extended trading hours—I do not see mention of that in the small business strategy.

**CHAIR:** Before we go to that, Minister, is trading hours within your portfolio responsibilities or is it another minister?

**Mrs STUCKEY:** Mr Chair, it is not in mine. This belongs under Justice and Attorney-General. However, when this document was released the discussion paper was still underway.

**CHAIR:** Would you care to reword the question to an area that covers the minister's portfolio area?

**Mrs STUCKEY:** May I also thank the honourable member for acknowledging that there is considerable content in this document.

**Ms TRAD:** I did not acknowledge that and now the minister is putting words in my mouth. Wishful thinking.

**CHAIR:** All right. If you wish to, reword your question.

**Ms TRAD:** I am going to. I am responding to the minister, Mr Chair. Minister, in relation to this booklet on the strategy and the action plan, there is a lot of discussion about regulatory reform. I note that the Premier's statements in relation to the extension of retail trading hours talked about a minimal regulatory environment for trading hours. As Minister for Small Business, firstly, what is your position in relation to the extension of trading hours? Secondly, what is the small business community saying about the extension of trading hours in Queensland?

**Mrs STUCKEY:** I thank the honourable member. I think she would recognise that it is a fairly complex issue, particularly in a state the size of Queensland, where you have small businesses in very small communities and you have small businesses in larger communities and then you have your major retailers. As I have stated, the decision making for trading hours does not fall within my portfolio. However, it is a topic of considerable discussion and I will continue to listen to what those businesses have to say to me. There is everything put to me from, 'Let's open 24/7.' I live in a border community, so if people want to they can actually go over and shop 24 hours in the Tweed. There is often an argument for tourists being able to get a cup of coffee early in the morning. Obviously, there are a number of complexities and variances in a state of this size.

As the small business minister I will support the small businesses as far as not wanting to impose any further cost or impost on them. I have to say, that is totally opposite to the government that was here before us, which choked and suffocated small business with 92,000 pages of red tape. We are doing everything we can to get out of the way and out of the pockets of small business so that they can prosper. That means intensive consultation, and that is exactly what we are doing.

**Ms TRAD:** Thank you, Minister. Given that your government has presided over one of the worst economic downturns in Queensland and has sacked 14,000 public servants or just under, as the Premier has alluded to recently, I think that impact on small business has been quite significant, as has been detailed in many newspapers. Minister, in relation to your role as small business minister—and I understand that extended retail trading hours do not come under your portfolio responsibility—can you demonstrate for the benefit of the committee what, in fact, you will do in relation to consulting small business over the extension of trading hours in Queensland?

**Mrs STUCKEY:** I thank the honourable member. The Attorney has had a discussion paper out there that has covered that extensively. He has an expert panel that is deliberating on that. I understand that that report has been completed. My department and the CEO of QTIC are on that panel so we are well represented.

**CHAIR:** The Attorney-General will be, I believe, before estimates tomorrow and I am sure there is an opportunity to pursue this line of questioning. We may wish to move on to another area.

**Ms TRAD:** Thank you, Mr Chair. I heard the minister's answer. You did not need to supplement, but thank you very much for your contribution anyway.

**Mrs STUCKEY:** Another passionate small business person.

**Ms TRAD:** Minister, as you would also be aware as the Minister for Small Business, one of the most significant areas of pressure on small business is the payroll tax. Can you advise the committee what you understand to be the payroll tax rate currently in Queensland?

**CHAIR:** This is an area that is not under the portfolio that we are examining tonight. I understand that the member may wish to ask questions that are broader and that impact on small business. But I would encourage the member to do her homework and identify which minister she should ask the question of. The current rate—

**Ms TRAD:** I am very aware of the minister responsible and this is a minister responsible for small business, Mr Chair. I will not be lectured by you.

**CHAIR:** The question you asked was with regard to the current rate. It is not—

**Ms TRAD:** I will not be lectured by you, Mr Chair, with all due respect. This is a very simple question about an issue that affects small business.

**CHAIR:** I ask you to recast the question in a way that addresses the portfolio matters that this estimates committee is considering.

**Ms TRAD:** Minister, in relation to the delay in the payroll tax threshold, your government has a commitment to increase the threshold to \$1.8 million.

**Mrs STUCKEY:** I am sorry, that is incorrect.

**Ms TRAD:** \$1.6 million, I am sorry. I stand corrected. The timetable for that, I assume, has been delayed by the fact that the next expansion will now no longer take place until 2015; is that correct?

**CHAIR:** Minister, before you answer the question, I would ask the member to explain the relevance of the question in the appropriation being considered.

**Ms TRAD:** Thank you, Mr Chair.

**Mrs STUCKEY:** Mr Chair, I am happy to give a brief answer here on the understanding, of course, that those decisions are not made by my portfolio and that I do not have any of the legislation under it.

**CHAIR:** Minister, we are here for your portfolio and I would like us to keep to those matters. I extend the opportunity to the member.

**Ms TRAD:** For your benefit—

**CHAIR:** No, it is for your benefit, to ask the question.

**Ms TRAD:** For your benefit, Mr Chair, in the small business strategy there is a significant area under the priority actions that refers to payroll tax and particularly the threshold. I want to explore that a bit more as the minister here is the Minister for Small Business, this is the small business strategy and the payroll tax threshold is included in the strategy.

**CHAIR:** It is considered by the Treasurer.

**Ms TRAD:** I am addressing the strategy.

**CHAIR:** Minister, if you would answer the question in the context of the strategy.

**Mrs STUCKEY:** With respect, Mr Chair, it is wasting precious time if we continue without trying to satisfy the—

**Ms TRAD:** I do not think talking about small business is wasting time.

**Mrs STUCKEY:** I meant the dialogue between you and Mr Chairman, honourable member.

**CHAIR:** If we can just move to the minister answering the question.

**Mrs STUCKEY:** Mr Chair is in charge here, but it seems that you forget that from time to time, honourable member.

**CHAIR:** Minister, thank you.

**Ms TRAD:** I will not be lectured by you, either, Minister.

**CHAIR:** I ask both honourable members to appreciate that it is late in the night and this committee has been here now for many hours. Minister, if you could provide the answer.

**Mrs STUCKEY:** Thank you. We have gone from one million in payroll tax to 1.1 and, yes, we have deferred going to 1.2 or further in this budget. It is to be expected that we will be able to resume and increase that threshold. The tax rate at the moment is 4.75. I hope that answers the honourable member's question as well.

**CHAIR:** Member for South Brisbane?

**Ms TRAD:** Thank you, Mr Chair. Can you turn your mind to the answer to question on notice No. 1, and I appreciate that you might not be able to answer this question. In relation to the Gold Coast 2018 Commonwealth Games Corporation expenditure on contracts awarded since 1 July, there is an expenditure of \$320,000 to Javelin Australia for the emblem launch.

**Mrs STUCKEY:** To who, sorry?

**Ms TRAD:** Javelin Australia.

**Mrs STUCKEY:** Thank you. There are quite a lot of contracts.

**Ms TRAD:** I understand, and that is why I prefaced my question by saying that I appreciate you might not have the detail to hand immediately. My question is: \$320,000 seems like quite a lot of money for a launch. Can you please detail exactly what this money was spent on in terms of the launch?

**Mrs STUCKEY:** I would need to ask Mark Peters, the CEO, to the table. Might I say that it was a very well-promoted, well-organised launch that captured the spirit. It was an important announcement that we were making that day. I think the result of that is certainly one that we can all relate to. It is very Gold Coast, very vibrant. The date of 4 April marked the five-year countdown to the games. I will hand over to Mr Peters, if he is now ready?

**Mr Peters:** I thank the honourable member for the question. The launch was held on 4 April. It involved a number of components that were part of that clock. Some of them involved the actual production of the blow-up emblem which was a key part of the national campaign. It also involved the campaigns in getting all of the major interstate and national networks there. We had *Sunrise* and Channel 9 there and we had crosses by the ABC. There was a management fee that went to Javelin. There were also a number of capital items. The surfboard at Surfers Paradise, which has been hugely successful, was also part of the expenditure under that contract. With the minister's permission, I am happy to get a breakdown of that \$320,000.

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

**Mrs STUCKEY:** I am happy to take that question on notice if that satisfies the member. I am not sure whether everyone has seen the countdown clock. That surfboard in Surfers Paradise is massive. Many people are stopping there to have their photograph with it. The real trick was the countdown clock starting. After a couple of tugs on the very large surfboard cover it did. There were a number of components to the launch which certainly has set the countdown to the Commonwealth Games.

**CHAIR:** I call the member for Mount Isa.

**Mr KATTER:** I think an important issue to address is the priority action in terms of small business government procurement. I think there is always tension with government procurement in remote areas. There are often cost structures associated with stable local businesses that are often over and above those of new competitors in the market that are not as sustainable. A very important part of local business in remote areas is that they maintain a sustainable cost structure. If there is an imperative by governments in procurement to try to achieve the most competitive price they can drive unsustainable long-term results in terms of local business. I was wondering what strategies are in place to offset the fact that there will always be a propensity for people to chase the best value on things? Is there something to protect the sustainability of those small remote businesses?

**Mrs STUCKEY:** I thank the honourable member for the question. I understand the tyranny of distance in this great state. Of course, he would understand it better than most so I do not pretend to know it as well as he does. The main part of procurement falls under Minister Mander's portfolio. My

department supports businesses through our business industry portal. There is a website that I would encourage you to notify your small businesses about when it comes to tendering. The e-tender website is through the Department of Housing and Public Works. That is the website for your small businesses to visit. We are also able, through the Department of State Development, Infrastructure and Planning, to fund and deliver government for tendering workshops. I cannot tell you exactly where they are being held. That would be another avenue to assist your small businesses. It is not always the bottom price that is accepted.

**Mr KATTER:** I understand that.

**CHAIR:** Minister, could I refer you to page 34 of the Service Delivery Statement. Could you outline how Tourism and Events Queensland now supports major events across Queensland's regions?

**Mrs STUCKEY:** I thank the honourable member for the question. If I could go back to the honourable member for Mount Isa, I point out that my department is working with the Department of State Development, Infrastructure and Planning to create a webinar based on the government for tendering workshop. We would be hosting that webinar through our business industry portal. I am very happy to keep you informed of the progress of that because that would be another opportunity for your small businesses.

Honourable member for Gympie, I have great news for Gympie today. The Queensland government recognises the value that regional events play in driving economic and social benefits to Queensland's regions as we have discussed over the last couple of hours. To that end, we are committed to develop an engaging and diverse events calendar.

During 2012-13 year, Tourism and Events Queensland supported 44 major events across our regions. This evening I have great pleasure in announcing another two events that have been added to Tourism and Events Queensland's major event calendar. This will be great news for the honourable member for Gympie because I am talking about the 2013 Gympie Music Muster, which I know he is passionate about, and, also in that neck of the woods, the Woodford Folk Festival. Notably the Gympie Music Muster has run since 1982. We have recognised that it is a significant event for the Gympie region, attracting approximately 9,700 unique visitors in 2012. This will be held next month and provide a four-day celebration of country music set in the beautiful Amamoor Creek State Forest Park.

The muster, as the honourable member would know, is more than just a spectacular celebration of music, over 50 community groups and 2,000 volunteers annually help the Gympie Music Muster team to stage this non-profit community based festival to raise funds for charities Australia-wide. Since its inception the muster has impressively raised over \$14 million for charities. TEQ support will be used to market the event across Australia and will be used to push the event in the New Zealand market.

Let us not forget the other major event—the Woodford Folk Festival. It is an iconic event for the Sunshine Coast region. It attracts domestic and international visitors to the region and has been doing so since 1987. It has grown to become Australia's largest outdoor cultural event held between Christmas and New Year's Day each year.

Both of these events will add to Queensland's already impressive event calendar and provide a great boost to the Sunshine Coast tourism industry. I am sure the member will not waste any time in spreading that good news.

**CHAIR:** Thank you very much minister, I will do it first thing tomorrow morning. I call the member for Burleigh.

**Mr HART:** Minister, as you know, I have a keen interest in the aviation sector having worked in the real world for a major Australian and international airline for over 20 years. Can you tell us how the Attracting Aviation Investment Fund is benefitting Queensland please?

**Mrs STUCKEY:** I thank the honourable member for the question. As a former aircraft engineer I know that he understands the importance of aviation safety and just how important aviation is to our tourism industry.

On Friday, 5 July I announced that the government would be supporting AirAsia X increase its frequency into the Gold Coast. This will take the Kuala Lumpur to Gold Coast service from a five times a week to a seven times a week service and will be effective from November of this year. This will bring an extra 40,000 seats into the Gold Coast. I imagine our visitor numbers through the Gold Coast airport will bounce even higher than the 19 per cent we mentioned before.

AirAsia X has an expansive network with connections to more than a hundred destinations across key emerging markets in Asia and the Middle East. We are supporting this initiative through the government's \$8 million Attracting Aviation Investment Fund. This fund, now in its second year, is used to securing new aviation businesses and routes into Queensland from identified priority markets. We do this by offering incentive based financial support for cooperative marketing activity to promote new services. TEQ works in partnership with Queensland airports, regional tourism organisations and Tourism Australia to identify route development priorities and develop the business cases to support those new routes.

AAIF provides the government with a funding pool that shows we are serious about attracting aviation route development. We have used this fund to secure China Eastern Airlines services between Shanghai and Cairns and Air New Zealand twice-weekly seasonal services between Auckland and the Sunshine Coast. Increased aviation capacity is going to be crucial to support our goal of reaching an overnight visitor expenditure increase from \$15 billion to \$30 billion by the year 2020.

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

**Mr YOUNG:** I refer to the Service Delivery Statement page 2. Could you elaborate further on the 20-year plan for tourism?

**Mrs STUCKEY:** I thank the honourable member for the question. This government has embraced the tourism industry with short-, medium- and long-term strategies. The 20-year strategy is focused on generating those long-term benefits for Queensland. As you have heard, we have set the target to double overnight visitor expenditure by 2020. As part of our long-term focus we are developing a 20-year tourism plan. This will identify the major strategic directions the industry and government will need to take together to ensure the success of tourism in the context of emerging trends. This is not the government's plan for tourism. It is a plan that has been developed by and with the tourism industry.

I hosted a workshop with industry leaders in March of this year. The session focussed on the five key megatrends presented by research company CSIRO. Following this session we held workshops right across Queensland with our 13 regional tourism organisations. The workshops provided an opportunity to ensure that all of the tourism industry had a chance to feed into the plan. One of these workshops was held in Rockhampton, near the honourable member's electorate, on 17 May.

The 20-year plan framework will be presented to delegates at the annual DestinationQ forum on the Gold Coast on 27 and 28 August this year. The final plan is being prepared to commence early 2014. Honourable members, the plan that we are creating is not about predicting the future but about being prepared for the one thing that we can guarantee and that is change.

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

**Ms MILLARD:** I refer to the strategic direction as part of the departmental overview on page 2 of the SDS and your answer to question on notice No. 17. Can the minister please explain to the committee any performance measures associated with the portal?

**Mrs STUCKEY:** I thank the honourable member for the question. In Sandgate we have 2,420 small businesses that are benefitting greatly from the Queensland government's business and industry portal or BIP, as we affectionately call it. We can find BIP at [www.business.qld.gov.au](http://www.business.qld.gov.au).

The unique visitors to BIP rose 12 per cent from April to a record 156,272 visitors in May. If we compare that to May 2012 this is an increase of over 280 per cent from 40,346 unique visitors. The one-millionth unique visitor to BIP in a single financial year was achieved on 1 June 2013. May I take this opportunity to congratulate my department, and in particular the small business division, for generating such an incredible portal that has proven to be so popular.

Traffic to the portal increased by 226 per cent from an average of 29,155 unique visitors per month in 2011-12 to 95,101 unique visitors per month in 2012-13. This amazing growth has occurred since July 2012 and is a combination of improvements to the site that will streamline and automate online products and service delivery. We have drastically increased the number of online services available, integrated the Australian business account and Australian business licence and information system and optimised the search engine with improved discoverability.

An additional 153 new services were added to the portal this financial year, including the forms and fee finder for environmental activities, cutting green tape for business, a business and industry calendar of events, integration with the Australian business account to make it easier for Queensland

businesses to transact with government online and information, guidance, tools, calculator and checklists with a particular focus on small business, tourism operators, investors mining and agriculture businesses. So now we have a total number of services on our million dollar baby, as we call it, our BIP, of 608.

**CHAIR:** I call the member for Pine Rivers.

**Mr HOLSWICH:** Minister, drive tourism is important for an electorate like Pine Rivers. In fact, it is essentially our only form of tourism. The Queensland Drive Tourism Strategy that was released in the last financial year identified 29 initiatives to improve various aspects of drive tourism. Can you give us an update on any activity that has been undertaken so far as part of that strategy?

**Mrs STUCKEY:** I thank the honourable member for the question. I am recalling, as he speaks, my visit to beautiful Dayboro and Ocean View in his electorate.

As you have rightly identified, drive tourism is very important. It is a key part of our plan to return the Queensland tourism industry to No. 1. Many towns and cities in our regions across Queensland rely heavily on the drive tourism market to support their local businesses, and that is why we developed the Queensland Drive Tourism Strategy 2013-2015. It was developed to encourage more travellers to take a driving holiday in Queensland and position our state as a world-leading drive tourism destination. Growing the drive tourism market requires a whole-of-government focus and it identifies 29 initiatives to be implemented over the next three years. Nine of these initiatives are being led by my department. These actions will be implemented in partnership with industry. But let me just inform the committee what we have done to date.

We have undertaken state-wide analysis of transport infrastructure priorities to support drive tourism. We have revitalised tourism signage between Cairns and Townsville. We have appointed regional go-to officers for industry within the Department of Transport and Main Roads. We have streamlined the process for tourism operators to apply for tourism signage and signed a partnership agreement between my department, the Department of Transport and Main Roads and QTIC to underpin a commitment to the delivery of these drive projects.

All of these actions are being supported by marketing activity being led by Tourism and Events Queensland, including a new itinerary section on the [www.queensland.com](http://www.queensland.com) website. We will also be rolling out the 'I Spy' campaign and there will be content for digital billboards. So, as you can see, we have been busy.

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

**Ms TRAD:** Minister, can you advise what the total salary package is for your chief of staff?

**Mrs STUCKEY:** I thank the honourable member for the question. Staff salaries in ministerial offices are determined by Ministerial Services. Therefore, they are not reflected in the budget documents.

**Ms TRAD:** No, I understand, Minister. But you are responsible for the budget of your own office. Can you please advise the committee what the total salary package is for your chief of staff?

**Mrs STUCKEY:** I understand that the honourable member had the opportunity to ask the Premier this question yesterday.

**Ms TRAD:** Minister, it is a question being asked of all ministers by the opposition, and other ministers have been forthcoming.

**CHAIR:** Earlier today Minister McArdle gave the same response.

**Ms TRAD:** So that is no?

**Mrs STUCKEY:** Mr Chair, I did not say no.

**CHAIR:** No. Quite clearly it is not your portfolio responsibility. The member had an opportunity to ask the appropriate minister. If she did not do her homework to identify that, it is not the responsibility of this committee.

**Ms TRAD:** Mr Chair, I object to you saying that I did not do my homework. I very much know that the salary comes under the Finance and Administration Committee, thank you very much. But all ministers, as you are aware, are responsible for their ministerial office budgets.

**CHAIR:** And, as you are aware, we are here to examine the portfolio.

**Ms TRAD:** And as the Deputy Premier has talked about his travel arrangements, which is part of his ministerial budget, I thought it was within my purview to ask the question, but obviously you have made the ruling. But I object to you saying that I have not done my homework. To move on to another question, in relation to Javelin Australia—and I understand, Minister, that you might want to refer this to, sorry, Mr—

**Mrs STUCKEY:** Mr Mark Peters.

**Ms TRAD:** Can I just get confirmation that Javelin Australia is headquartered in Queensland?

**Mrs STUCKEY:** I invite Mr Peters to answer that question.

**Mr Peters:** Thank you for the question. Yes, Javelin are located in Brisbane.

**Ms TRAD:** Headquartered?

**Mr Peters:** They are part of a bigger company that is actually headquartered in Sydney and has an international overlay company as well. But those that were involved in the delivery of the event are actually based in Brisbane.

**Ms TRAD:** Exclusively?

**Mr Peters:** Exclusively for the event?

**Ms TRAD:** Yes.

**Mr Peters:** They used a lot of Gold Coast firms in the delivery of the event and they also had an officer that came down and worked out of our office in the coordination.

**Ms TRAD:** I am interested just in relation to the 'Think Queensland, Buy Locally' campaign and whether or not that is a requirement for the issuing of contracts, because there will be a lot of contracts obviously that arise from the 2018 Commonwealth Games between now and then. Is this an explicit government requirement of statutory authorities in terms of their purchasing of services and skills from the private sector?

**Mrs STUCKEY:** The issue of procurement and use of local businesses has been well documented. Of course there is an expectation that, where possible, we will be able to employ local firms. In answer to an earlier question I gave you the percentage of people that have been employed from the Gold Coast and South-East Queensland. The state procurement policy that we have says that 'local' is Australia or New Zealand. However, the local council policy has a different meaning to that. We adhere to the state procurement policy. However, there is a willingness and an agreement that, wherever possible, local firms will get the work.

**Ms TRAD:** So, Minister, just following on from that, technically you can 'think Queensland and buy Sydney' and that would still be consistent with your campaign; is that right?

**Mrs STUCKEY:** I thank the honourable member. I think she is actually mixing up what a buy locally campaign and procurement for an event the size of the Commonwealth Games—

**Ms TRAD:** You have just tied them together, Minister.

**Mrs STUCKEY:** I am separating them both and, as I have just said, a buy locally campaign is to direct people in local communities to go to their corner shop and their local stores and buy from them. Procurement for the Commonwealth Games is a different issue and falls under the procurement guidelines of the state government, and I have explained that, where possible, we do give the work to local firms and they are well and truly encouraged to tender for as many projects as possible.

**Ms TRAD:** No, I understand that, Minister. But, as you can well imagine, most Queenslanders would generally think if the government is proposing through a campaign that people should 'think Queensland and buy local' then that would mean that the government would also be following suit, but obviously the procurement policy is a bit different in that regard.

**CHAIR:** Member for South Brisbane, our time is limited. Do you have a question and not a statement?

**Ms TRAD:** I am happy to leave it there unless the member for Mount Isa—

**Mrs STUCKEY:** I would like to respond to her comments actually, Mr Chair, if I may.

**CHAIR:** No. Please, Minister, no. It is not helpful—

**Mrs STUCKEY:** It is a correction.

**CHAIR:** It is not helpful to where we are at at the moment.

**Mrs STUCKEY:** But the honourable member needs a correction.

**CHAIR:** It is not helpful at the moment. Member for Mount Isa?

**Mr KATTER:** No.

**CHAIR:** I am conscious of the time—

**Mrs STUCKEY:** Oh, why would that be?

**CHAIR:**—of a great event that will be occurring tonight—

**Ms TRAD:** We hope.

**CHAIR:**—as important as this was. I would like to thank the minister and her staff for their attendance here tonight. The consideration has covered the expenditure of the areas of responsibility administered by the Minister for Tourism, Major Events, Small Business and the Commonwealth Games and we thank you for that. We thank your staff and we thank you, Minister, and we thank the members from the Gold Coast games organising committee.

The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 5 pm on Friday, 19 July. On behalf of the committee, I thank the Hansard staff and the secretariat for their assistance here today, and I thank all the committee members and those members who were visiting with the committee for their involvement. I declare the State Development, Infrastructure and Industry Committee estimates hearings closed and look forward to eight straight.

**Mrs STUCKEY:** May I please add my thanks and appreciation to the committee as well as all my staff, the department and my statutory authorities. I understand this has been a long day for you, but we were really looking forward to being able to explore and highlight the achievements of my department and we thank you for the opportunity to do that.

**CHAIR:** Thank you, Minister, and go Queensland!

**Committee adjourned at 7.10 pm**