

## **ESTIMATES—TRANSPORT, HOUSING AND LOCAL GOVERNMENT COMMITTEE—LOCAL GOVERNMENT, COMMUNITY RECOVERY AND RESILIENCE**

### **In Attendance**

Hon. R Crisafulli, Minister for Local Government, Community Recovery and Resilience

Mr R Ferrett, Chief of Staff

**Department of Local Government, Community Recovery and Resilience**

Mr C Evans, Director-General

**Queensland Reconstruction Authority**

Mr G Newton, Chief Executive Officer

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 **CHAIR:** Good afternoon. The estimates hearing of the Transport, Housing and Local Government Committee is now resumed. On behalf of the committee, I welcome to the hearing the Minister for Local Government, Community Recovery and Resilience, officers of the department and members of the public. I am Howard Hobbs, the member for Warrego and chair of the committee. Mrs Desley Scott, the member for Woodridge, is deputy chair. Other committee members are: Mr John Grant, the member for Springwood; Mr Darren Grimwade, the member for Morayfield; Mr Carl Judge, the member for Yeerongpilly; Mr Anthony Shorten, the member for Algester; and Mr Jason Woodforth, the member for Nudgee. The committee has also given leave for non-committee members to participate in the hearing today. I welcome Mr Tim Mulherin MP, the member for Mackay.

The committee will now examine the Appropriation Bill 2013 and the estimates for Minister for Local Government, Community Recovery and Resilience until 6.30 pm when we will conclude today's hearing. The proceedings today are lawful proceedings and are subject to the standing rules and orders of the parliament. As such, I remind all visitors that any person admitted to this hearing may also be excluded in accordance with standing order 208. In relation to media coverage of today's hearing, the committee has resolved to allow television film footage and photography at all times during the hearing in accordance with the media broadcasting guidelines. The hearing will also be broadcast live via the Parliamentary Service's website.

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

I declare the proposed expenditure for the portfolio of the Minister for Local Government, Community Recovery and Resilience open for the examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

**Mr CRISAFULLI:** I would, Mr Chairman. Thank you very much. I have with me the Director-General of the Department of Local Government, Community Recovery and Resilience, Craig Evans am; Chief Executive Officer of the Queensland Reconstruction Authority, Graeme Newton; and my chief of staff, Richard Ferrett.

This year for local government and indeed for us as a state as we rebuild from the disasters, really has to be the year of delivery. I will address my brief introduction in two parts. I will start with the recovery component. You will find in the SDS a sum of \$4.2 billion for this year's recovery. That is not insignificant. In fact that is the most that would ever have been spent on a recovery in the state. In that component is about \$80 million for betterment, something that I am particularly proud of. Whilst I acknowledge that it falls well short of what I would have liked to have seen, it is a start in reversing what has been like for like replacement. It is a change of culture and, in my mind, is the way we should be doing business in the future.

In terms of recovery, we have worked hard on the ground to make sure that we are making good early progress after the summer of disasters. I often use a number of different figures to portray the contrast in this year's recovery. I think the one that is most pertinent and indeed the one that I am most proud of is in Bundaberg which was hit very hard in 2011 but certainly in 2013 has copped more than its share of pain. In 2011 it took council 18 months to get \$25 million worth of work to market. In 2013 \$40 million went to market in four months and an additional \$30 million the following month.

We have unashamedly decided to work hand in hand with councils. We have been on the ground as never before. The early signs are positive. Obviously some of your best praise can come from your critics at times. I certainly acknowledge the comment made by the opposition leader during the estimates hearing of the State Development, Infrastructure and Industry Committee in which she said—

Government is about working cooperatively with councils. We have seen how it has worked cooperatively during the floods, and we were talking about the floods earlier on. The state government works hand in hand with the council.

The CEO of the Local Government Association of Queensland, Greg Hallam, in speaking to local government on the results of the audit, said in June this year—

The new government has taken it to another level with the model that we rolled out for this year's events.

I am particularly proud of the fact that it has been acknowledged that we have made a good start. I think it would be wrong, though, not to acknowledge that there is individual suffering in all of these areas. I have made it my business to go back to these communities time and time again. We owe it to those communities to not just rebuild but try to look for every way to possibly mitigate and recover like never before.

I should also acknowledge that we are having discussions with insurance companies about rewarding people on the ground who make changes to their property. I think they should be rewarded for that via lower premiums. Through the reconstruction authority we will make every bit of information available so that they can factor in the work of individuals.

I should also acknowledge the federal government. There have been some positives and negatives dealing with them. I have to acknowledge Senator Ludwig whom we worked with to get the betterment fund up and running. I said at the start that it fell short of what we wanted, but the relationship there certainly helped us open doors to get that underway. I am a little bit concerned at the moment with the fact that there is not a dedicated flood recovery minister in cabinet and we will continue to push all of our cases.

I will conclude by talking about local government. This is also the year of delivery for local government. We have seen in the past two financial years that there has been a real issue with local councils being able to deliver on the ground. That has been due to a combination of factors. Certainly the fact that you have over 50 councils declared as disaster areas has not been easy. Also the way we have administered grants has not been right. I mention the fact that in the 2011-12 year it was not until deep into the financial year that those grants were approved. Last year, with a delayed budget, it again took some time to get that out to local government. This year will be different. It certainly is the year of delivery for them.

There are indeed challenges for local government. There are challenges for the state. But I have every confidence that this time next year we will be looking at a story of 12 months of delivery for this state. That is as much about getting work on the ground as it is about restoring faith in the art of governing and looking communities in the eye and doing what you say you are going to do.

**CHAIR:** I call the member for Mackay to open the bowling.

**Mr MULHERIN:** I refer to your responsibility to support the financial sustainability of local government. The Queensland Treasury Corporation half yearly report for December 2012 details that total debt outstanding for the Brisbane City Council is \$2.04 billion or 33 per cent of all local government debt in Queensland. The Brisbane City Council has less than 25 per cent of the state's population in comparison. Minister, are you concerned about the level of debt at the Brisbane City Council initiated by the now Premier and the now Treasurer of Queensland?

**Mr CRISAFULLI:** Can I start by thanking the member for the question. Mr Chairman, you said that he was opening the bowling, well he has bowled another half-volley. This was the theme of last year's estimates as well. I say to the honourable member, am I concerned? The answer is, no. Brisbane has had a review in the last 12 months and indeed the council is rated strong. This has given me an opportunity to go through some figures.

**Mr MULHERIN:** Neutral outlook.

**Mr CRISAFULLI:** Boy oh boy, I wish the finances we inherited were similar to that, I can promise you, member for Mackay. If you go through and have a look, by any objective standard—and the one I like to use is debt per capita because that gives you an indication of capacity to pay—Brisbane's debt per capita is in the order of about \$2,000 per person. I only wish the situation for the state was anywhere like that. At the time of the election that debt figure was about \$15,000 per person and heading in one direction.

I say to the honourable member for Mackay, this was the theme of last year. Time and time again you roll out this figure and ask what it means. Council is rated financially strong. It could not be any clearer. I look forward to answering questions about this all afternoon, but the fact remains that the financial position of the Brisbane City Council is far superior to that which the former state government left, of which the honourable member for Mackay was a very senior member.

**Mr MULHERIN:** I seek leave to table the latest credit review.

**CHAIR:** Leave is granted for the tabling.

**Mr MULHERIN:** Minister, I have just tabled the latest credit review of the Brisbane City Council by the Queensland Treasury Corporation. In this review it reveals that debt is projected to increase from \$389.188 million in the financial year 2009 to \$2.415 billion this financial year—an increase of 521 per cent. In comparison, the projection for state government debt under the previous government was an increase of 84 per cent over the same period. Minister, why were you so concerned about a projected 84 per cent increase in state debt—what the Premier has called a power dive into the abyss—and not the 521 per cent increase in council debt over the same period? Is it because the council debt was initiated by the now Premier and the now Treasurer of Queensland?

**Mr CRISAFULLI:** Thank you to the honourable member for the question. Let me start by saying, the one topic that I really enjoy being lectured on by the member of Mackay is debt and financial management.

**Mr MULHERIN:** Are you not responsible for—

**Mr CRISAFULLI:** I enjoy the opportunity. If you would like me to finish my answer I would be more than happy to give it. The honourable member talks about percentage increases and all sorts of things. The reality remains that the financial situation of the state government was an absolute basket case when we came to office. You only have to look at the prospects and the credit ratings to realise that.

The other thing the honourable member fails to mention is that there are always two components to any financial statement. Obviously one is debt—that is huge. But the other is the operating figure—whether or not you are in surplus or deficit—and the long-term projection. The state of Queensland's books were in such a disastrous situation that that credit rating took a hiding. The prospect into the future is a very tough assignment.

What does that mean for local government? I can tell you what it means for local government. It means that each and every council has to stump up more for the repayment of their debt through absolutely no fault of their own. It is not the fault of local government that the state is drowning in debt; it is fault of the state government. As result of that—

**Mr MULHERIN:** We are talking about the Brisbane City Council not the state.

**Mr CRISAFULLI:**—we have seen the credit rating drop. I guess the final thing that it would be wrong of me not to discuss is when the member talks about the increasing debt for Brisbane City Council. I guess one of the saving graces if I were a ratepayer in Brisbane that I would look to is the type of infrastructure that is being built. I guess that is in contrast to a government that built things like a desalination plant that did not quite desalinate, dams that did not have pipelines, pipelines that did not have dams and that was drowning in operating deficits. Let us get this right. If you are—

**Mr MULHERIN:** But the water grid helped out in the floods this year. You cannot deny that.

**Mr CRISAFULLI:** If you are drowning in operating deficit inevitably that only goes to one place.

**Mr MULHERIN:** Minister McArdle reluctantly acknowledges the benefits of the water grid.

**CHAIR:** Let the minister finish.

**Mr CRISAFULLI:** I will keep answering questions all day.

**Mr MULHERIN:** And I will keep throwing up the infrastructure that was built.

**Mr CRISAFULLI:** The last one was a half-volley; that was a full toss. He goes through cover. I guess the other problem is when your government has things like trying to fix a payroll system that does not pay people that also impacts. When you objectively look at debt you have to see whether or not debt has been accumulated to the benefit of your community. We could look at every single angle of comparing debt for the Brisbane City Council—

**Mr MULHERIN:** So the Gold Coast light rail and the hospital projects in Townsville, Cairns, Mackay, Brisbane are not worth—

**CHAIR:** Member for Mackay, this is now your next question.

**Mr CRISAFULLI:** If you look at every single angle, there is not an angle that the member for Mackay could put up that somehow suggests the government that he was part of ran a better economic ship than the Brisbane City Council. If there was, I would respectfully say that the member would put it forward.

**Mr MULHERIN:** So there has been a 521 per cent increase in debt versus an 84 per cent increase in state debt over the same period. Minister, the latest Queensland Treasury Corporation's credit assessment of Brisbane City Council indicates that the interest serving costs are the fastest growing expense of council, just as the Treasurer likes to point out is the case for the state government. As the minister responsible for this council's financial sustainability, are you able to confirm that interest costs are the council's fastest growing expense from the financial year 2012 to financial year 2014?

**Mr CRISAFULLI:** Can I confirm one of the great imposts and one of the great causes of fast growing interest is the level of repayments that you have to make on that debt. When your credit rating slides, that has a huge impact on the amount you have to pay back, and it is a particularly bad blow when you are not responsible for the downgrading of that credit rating. So that is the first component.

**Mr MULHERIN:** We are talking about the Brisbane City Council.

**Mr CRISAFULLI:** That is right, and unfortunately for them they did not control the way you spent. That is the problem for the Brisbane City Council.

**Mr MULHERIN:** I am talking about Brisbane City Council debt.

**Mr CRISAFULLI:** That is what I am saying.

**Mr MULHERIN:** Debt initiated by the Premier and the Treasurer.

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

**Mr CRISAFULLI:** Thank you, Mr Chairman. You would be aware that that debt has to be serviced and the rate at which it is serviced is determined on the credit rating of the state government because they get their money from the Queensland Treasury Corporation. Unfortunately for the Brisbane City Council a large component of that interest repayment is paid at a higher rate because of a falling credit rating.

**Mr MULHERIN:** Minister, is it the fastest growing expense for the council? Will you confirm that?

**Mr CRISAFULLI:** I think I have made my answer pretty clear.

**Mr MULHERIN:** Well, you have not answered the question.

**Mr CRISAFULLI:** I think I have made it pretty clear.

**CHAIR:** Minister, we will move on. We are talking about debt and comparing the debt levels of all councils to that left by the Bligh government. Minister, overall what are councils doing generally to lower the debt state-wide?

**Mr CRISAFULLI:** Thank you, Mr Chairman. Indeed, it is an issue that local government has to face up to. There is no question. It would be easy for councils to say, 'Our debt is in the order of \$6.5 billion and that is less than a tenth of what the state debt was at the time of the election.' Obviously we would all recall the projections that that was going to reach \$100 billion if we had gone on the same merry way as those before. It would be easy for local government to say, 'We cover the same area. We have the same number of people, so it is not an issue.' To the great credit of local government they have not said that, and they do acknowledge that there is certainly an issue. Local government also has to invest in some infrastructure. There will be some significant infrastructure investments, particularly with the 12 largest councils, in the years ahead, and you have to acknowledge that.

We conducted 10 credit reviews in 2012-13. One of which particularly interests the member for Mackay but there were others, and all supported the level of debt held by each council. So I guess that is the first thing. But there is a challenge into the future for these councils, and that challenge is how to fund the infrastructure to meet growing communities. That is something we have to support them with. We will support local governments big and small to make sure that they take every opportunity to find ways to generate revenue. Whether they are a big or small council, they need to look at every way to sharpen their pencil and deliver things, and we need to look at every way to get out of their way so they can deliver services for the community in the most efficient way possible.

**CHAIR:** I have a follow-up question. The SDS talks about highlighting financial sustainability issues for local government to key government decision makers. What general initiatives have you been able to secure for local government to improve sustainability, because we have to have a package there that allows local government to be sustainable in the long term?

**Mr CRISAFULLI:** Thank you, Mr Chairman, and I think it is a good follow-up question. First and foremost we have to make sure that we set an environment for local government that it can work in, but we still need to give them the freedom to respond to their individual situations. To me the greatest example and proof of that are some of the changes that have been made to the act in the last 12 months. I may take this opportunity to mention some of them. The one that always sticks in my mind was the requirement that every local government had to do a community plan. You more than anyone, Mr Chairman, understand rural and regional Queensland and you more than anyone understand that local government has a fair understanding of what their community wants. I could never understand why a local government with a few hundred people had to engage a consultant and spend many thousands of dollars to determine what their community wanted for them. I would have thought you would get that on a Saturday morning when you walk to the shops or when you are mustering cattle with those people or when you are at the rodeo. That was the absurdity of this one-size-fits-all approach. It was something that truly frustrated me and likewise with the financial planning requirements. Councils had to go through all of the usual things as part of their annual report, yet somehow over and above that they had to engage in a financial planning reporting process.

We had the ridiculous situation that a council would spend many, many hours and, indeed, go to much expense to create a local law in which somehow it was up to the minister to determine whether or not a local law was good for the community. Maybe I have a different philosophical view to others, but I think a local law is a local law and one where the community should control its own destiny. There were other things. Mr Chairman, you would recall the nonsense of forcing councils to live stream their meetings at huge expense, and for some councils that still operate with three chambers that expense would have run into the hundreds of thousands, plus the ongoing expense. That was just bizarre. So they are some of the things we have done.

Looking into the future, I use the term 'capacity building' and I think that has to be our role. The Department of Local Government, Community Recovery and Resilience is small in numbers, but our role is to make sure that we can at all times have our local governments firing on all cylinders. Whether that be through helping with financial and asset management systems, whether that be enterprise managers, business coaches or even helping to get access to things like temporary working capital, that is our role. We unashamedly need to get out of the way of local government and allow them to deliver wherever possible. We need to make sure the money they spend is money well spent—the sorts of things that their communities want to see them spend money on. We have seen local government get into more and more areas, and I think the community are demanding that. But I have never met a ratepayer who is truly focused on what happens in terms of reporting requirements between two levels of government. They want to know when they are paying their rates that they get value for money.

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

**Mr GRANT:** Minister, my first question relates to the recovery program. I refer to page 8 dot point 1 of the SDS. The question is how will the regional round table program help councils manage their interests and be financially sustainable?

**Mr CRISAFULLI:** I thank the honourable member and indeed acknowledge his service to local government over many years. The regional round table is a commitment of the government that we truly want to deliver and deliver in this six-month period. We asked local councils across the state to put forward a bid as to what they wanted to discuss. So the idea of the regional round table is to say, 'Tell us the issue that is concerning you and let us help you break through the issues which are

stopping you delivering it.' We received 90 different topics that were put forward from local councils and they came from about 25 different councils. There were some excellent ideas, and I can safely say that this round table that is going to be held shortly is not going to be the only one that we have.

In the end the best suggestion came from the North Queensland region of councils and that was around financial sustainability. So the first round table will be held in Townsville next month. With the imprimatur of the Premier, we have written to the local councils and invited them to attend. There will be senior representatives from the Local Government Association of Queensland, the Department of the Premier and Cabinet, Queensland Treasury and officers from the Department of Local Government, Community Recovery and Resilience and the Reconstruction Authority. Most exciting though is that the Auditor-General will be there. I see this as a huge opportunity for local government on a myriad of fronts.

Financial sustainability is first and foremost in people's minds at the moment. That is what every level of government is grappling with and certainly what councils are grappling with, but there are a number of things that have not been dealt with over a long time, and I put into that things like depreciation schedules as something that we have to face up to. The fact that the Auditor-General has agreed to attend I think has been warmly received in the local government family. I have a feeling we will have representation from the vast majority of councils such is the willingness to make this work.

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

**Mr GRANT:** Minister, I have a follow-up question from that same page, page 8 dot point 1. What work has been done to help Indigenous councils manage interests and be financially viable?

**Mr CRISAFULLI:** Thank you very much for the question. As someone who is based in North Queensland, it is something I am particularly passionate about. In order to answer your question about what we are going to do I think we have to spend 30 seconds looking at what we have done. I do not deny for one moment that everything we have attempted to do for Indigenous communities and Indigenous councils over a long period of time has been done with the best of intentions. There has not been a single government that has ever not tried to do the right thing. But it is not working. We just cannot continue to do the same thing time and time again and expect a different result.

I understand how tough it is. You are dealing with very disadvantaged communities. It is often easy to think that the easiest and the best solution is to throw money at the problem time and time again, but that has never been the issue. The issue has never been how much we spend per head of population in Indigenous communities. If that were the issue, it would have been solved a long, long time ago.

I have a program which is called SGFA, State Government Financial Aid. It is in the order of about \$32 million this year. Traditionally that has been divvied up amongst the 16 local government councils and it has helped those communities deliver services. What we have done this year is we are looking to empower those councils to start looking for opportunities for themselves as well. So the fund is \$32 million: \$29 million will be delivered on the same basis as that split between councils, but for the first time there will be a contestability element, and that will be \$3 million. It will be broken into two parts. The first is \$1.5 million, which will be a service delivery fund. What we are saying through this to councils is, 'If you are prepared to show us that you are turning the corner towards self-revenue, you will be rewarded.' I understand that is a challenging statement, and I respect both sides of that argument. But I have a philosophical view that if we say to the communities, 'We will reward you for making the tough decisions,' I think that can change a culture of dependency and create a culture of self-empowerment. So what do I mean by that? If a council is prepared to go into a community and collect things like water charges—which some councils do at the moment—if they are prepared to look at those opportunities, they should not be penalised for that. It should be the other way around. They should actually be rewarded.

The second element of the fund is what is going to be called a business incentives scheme. I have written to the 16 mayors and I have said to them, 'Put forward your suggestion of ways that you can create economic opportunities in your community.' I do not expect that that is going to generate bucket loads of money overnight; I get that. But there are some councils starting to do that. These Indigenous communities have one of two things. They either have an abundance of land—and we all know with land you can do a lot of things, whether that be agriculture in one form or another. The other thing many of them have is absolutely stunning coastlines, and there is a real opportunity for tourism with their local knowledge of all things like fishing. So we are saying to those communities,

‘Come forward with your suggestions to try to create genuine economic opportunities and we will reward rather than penalise you.’

Just briefly in conclusion, I should also say that it is not all about one-way traffic. Currently, every year councils have to put in quarterly audit repayments for something that is not tied to a grant system. So this grant is not tied to anything particularly; it is money that is given to those councils to run everyday things. We think that if the councils have unqualified audits for the previous financial year they should receive them as half-yearly payments rather than have to go cap in hand, with all the costs that come with that. So we have done that, and 13 councils will now receive half-yearly payments without all of that headache.

I thank the member for the question. The message I delivered to mayors when I went and spoke with them at the LGAQ’s Indigenous Leaders Forum was, quite simply: if you believe in this message, go to your communities and sell the message; if you do not believe in the message, go to your communities and blame me. Either way, it has to be done. Either way, we have to lift the veil on the dependency and start creating a culture where Indigenous people truly feel valued.

**Mr MULHERIN:** For the information of the committee, the minister referred to the ratings agencies and how they assess debt. One of the metrics they use is the financial liabilities to revenue ratio. For the record, Brisbane City Council’s liability is 158.4 per cent. The previous local government peaked at 123 per cent.

Minister, the 2011 QTC credit assessment of Brisbane City Council detailed that a profit was not expected to be generated on Legacy Way until financial year 2025; however, the 2012 credit assessment does not detail when a profit is expected—only that toll revenue is expected to be delayed a year, until financial year 2016. Minister, are you able to advise when a profit is expected for Legacy Way?

**Mr CRISAFULLI:** I thank the honourable member for the question. It is the same medium pacer bowling the same line on the same pitch—and I will give the same response.

**Mr MULHERIN:** You cannot answer the question.

**Mr CRISAFULLI:** First of all, I relish every opportunity to talk about the financial position you left this state in.

**Mr MULHERIN:** This is the financial legacy of Newman and Nicholls at City Hall.

**Mr CRISAFULLI:** You can create every set of numbers that you can put forward. The facts remain quite clearly that the position of this state was quite incredible in terms of the level of debt that was left. In fact, the debt level was expected to peak higher than the debt the Commonwealth government had a few years ago, when the changeover happened at the end of the Keating regime. It was a huge debt—a debt that you could not jump over. I will continue to preface every response—

**Mr MULHERIN:** Minister, when is Legacy Way expected to give a profit?

**Mr CRISAFULLI:** I will continue to preface every response by painting a picture of how diabolical is the situation in this state.

**Mr MULHERIN:** We are talking about Brisbane City Council, Minister. You are the minister responsible for financial sustainability.

**Mr CRISAFULLI:** When we talk about the need to make tough decisions, no Queenslander should be under any illusion about where it should come back to. I sincerely hope that as part of the different things that are occurring in the state, including things like the racing inquiry, people can see how their money was spent and what sorts of accountability measures were there. I look forward to that. There is some joy in it for all of us.

In answer to the other question, when you talk about individual projects, the local government has to look after those individual projects the way it sees fit. I have heard the news reports in recent days—I believe that a decision is close—about the Brisbane City Council looking at different options for that tunnel. If people know anything about my style it is that local decision makers should make local decisions. If people do not like the decisions of those councils, there is a way they can make their feelings known. It is called an election.

You could sit here and ask me questions about each and every council—about how much they are spending on this, that and the other. My philosophical view is that that is a matter for the council. Provided they stay within their credit rating, provided they stay in a financially secure position, our philosophical view is that that is best decided by council.

**Mr MULHERIN:** Minister, the question was: when do you expect Legacy Way to generate a profit? The QTC in 2011 said that a profit was not expected until 2025. Then when they carried out the credit assessment in 2012 the only mention was that there would be a delay in toll collection until 2016. As the responsible minister for the financial sustainability of councils, can you tell this committee when Legacy Way will generate a profit?

**Mr CRISAFULLI:** It is exactly the same question and, unless the member wants me to say exactly the same thing—

**Mr MULHERIN:** Well, you didn't answer the question.

**Mr CRISAFULLI:**—in exactly the same fashion, I suggest he uses his time wisely.

**Mr MULHERIN:** Do you want to take it on notice and give the committee an answer? You cannot answer the question.

**Mr CRISAFULLI:** You have my answer. I will not be taking it on notice.

**Mr MULHERIN:** The document has been tabled. You cannot tell us when it will generate a profit. Thanks, Minister.

**Mr CRISAFULLI:** You have my answer.

**CHAIR:** Member for Mackay, the minister has answered the question. I think you should go on to your next question.

**Mr MULHERIN:** I note that the Treasurer had a meeting on 20 November last year about the consolidation of Brisbane toll roads. Did the QTC provide any advice to you around how the purchase by the Queensland Investment Corporation of Legacy Way and the Go Between Bridge would impact on the council's financial sustainability, and did you attend this meeting?

**Mr CRISAFULLI:** I am not sure what part of the SDS the honourable member is referring to.

**Mr MULHERIN:** I refer to page 2 of the SDS relating to support of local government financial sustainability, and page 8 relating to financial sustainability and accountability and support local government to identify and manage financial sustainability. There was a meeting that occurred between the QTC, the Treasurer and the council. Did you attend that meeting? Have you been briefed?

**Mr CRISAFULLI:** It is a pretty long bow, but I will humour the member and say no.

**Mr MULHERIN:** It does impact on the council's financial sustainability.

**Mr CRISAFULLI:** No.

**Mr MULHERIN:** No. Right. Minister, I will also table a document put out by the former Lord Mayor of Brisbane City Council for the information of the committee. I seek leave to table the document. It is about the Premier's election commitment when he was Lord Mayor that—

**CHAIR:** Is leave granted? Leave has not been granted.

**Mr MULHERIN:** You are frightened of the document.

**Mr CRISAFULLI:** We have heaps of time. You could read it.

**Mr MULHERIN:** Right—

TransApex will be funded on the basis of a public toll set at \$2.00 (inclusive of GST) ...

It would be delivered by Brisbane City Council for free and paid for by a \$2 toll. The current Brisbane City Council Lord Mayor has said that the purchase of Legacy Way and Go Between Bridge will provide a financial benefit to council of between \$1.08 billion and \$1.58 billion over the next seven years. Minister, have you or your office requested or received any modelling on this and changes to the council's financial position from this transaction? Do you have any assurance that the council will have the cash flows to deliver on their latest promise to upgrade Kingsford Smith Drive? I note that this was originally promised back in 2004 by the now Premier.

**Mr CRISAFULLI:** Thank you very much, member for Mackay. I am going to try and be as definitive as I can now, and hopefully the honourable member will get the message.

**Mr MULHERIN:** Well, we will not get an answer.

**Mr CRISAFULLI:** I am the Minister for Local Government. Maybe the member for Mackay has a different view, but I am not the mayor of 73 councils. If you saw nothing else in November last year, I would hope you saw changes to an act that removed the regulation that you were choking councils

with. The restrictions had got to the point that people in local government felt completely impotent—to the point that good people did not even want to run for council, because they had become nothing more than delivery agents for your hare-brained schemes. So when local governments cannot go in and govern the way they want to, you know there is something wrong. So if you are asking me—

**Mr MULHERIN:** A hare-brained scheme in the form of a \$2 toll?

**Mr CRISAFULLI:** Indeed. I am talking about things like waste levies, where councils woke up one day and were told that not only did they have to collect the levy but also they had to pay it on their business units. I am talking about being told that you are going through a process of reform called Size, Shape and Sustainability, only to be taken out to the long yards to have some nice things happen to you in 2007. I am talking about a culture where councils felt used and abused.

If you are asking me whether I am going to govern 73 local governments, the answer is no. We are there to administer a system of governance, to make sure councils operate within that system. And I am not going to meddle in every little project. If you want to continue for 2½ hours—

**Mr MULHERIN:** This is Brisbane City Council—33 per cent of local government debt. And you have responsibility for financial sustainability.

**Mr CRISAFULLI:** We have a multibillion dollar budget we can discuss here today. We can talk about all the changes to the Local Government Act that will empower councils. We can talk about those programs that deliver things on the ground. The other day I was in the great city of Mackay, where some wonderful things will be done for the council there. We can talk about all sorts of things, but if you are going to ask me whether I will go out and dig holes and put up concrete bollards, you are wasting your time.

**Mr MULHERIN:** Minister, why does it say in the SDS that you have responsibility for financial sustainability? You will not answer the question.

**CHAIR:** We are moving on. I call the member for Algeester.

**Mr SHORTEN:** I refer you to page 3, dot point 5, of the SDS where it references the deamalgamation implementation recommendations to establish new councils. Minister, how is that deamalgamation process progressing with those councils?

**Mr CRISAFULLI:** I thank the honourable member for the question. Indeed, it is a very important question. We went to the election with a clear position, and that is to offer those communities that felt they could put forward a bid the opportunity to do so. You asked about the appointment of those transfer managers. They are in place and have been for a few months. Between the four of them they have about 70 years of experience in local government. A gentleman by the name of Peter Franks is the transfer manager in Noosa. Not only has Mr Franks been a CEO of a council post amalgamation; he was also heavily involved in a council that experienced a deamalgamation. That is particularly rare; there have not been a lot over time. A gentleman called Graeme Kanofski is looking after Livingstone, Rod Ferguson is in Mareeba and Jeff Tate is in Douglas.

It will always be a big challenge. I wanted to get people in place who had experience, but I also did not want fly-by-nighters. One of the conditions I put on the employment of all four was that they had to move to the community. So they had to live and work in the community. There is a formal local advisory committee in place in all of the areas. They involve people like your chamber of commerce heads and different resident and ratepayer groups. I think that is working well. That is a good way of making sure there is a good interaction. But by living in the community rather than governing from Brisbane, for example, I am sure they get a free character assessment every day—when they go to the shops and when they fill up their car. That has led to a transition that is going much better than it could have.

They will put in place a transfer action plan. The process is for those new entities—those four new local governments—to come into effect from 1 January. So we are getting closer. There is a lot of work to be done. I have to place on record a huge thanks to not just these four gentlemen but also the four CEOs of the existing regional councils. They have all entered into it in good faith. I take my hat off to them for the way it is unfolding. There will be bumps along the way—there always will be—but I am very confident that on 1 January you will have four new councils ready to hit the ground running and the communities will have what they voted for.

**Mr WOODFORTH:** Minister, Budget Paper No. 3 at page 82 refers to capital grants. Can you outline how many submissions were received for the LGGSPIS and what projects have been approved?

**Mr CRISAFULLI:** I thank the member for Nudgee for the question. It really is an exciting project. It is something that is near and dear to my heart. I mentioned in my opening remarks that in many ways this project has been choked by the way that the finances have been rolled out. In many ways it has not been the fault of local government; there have been factors beyond their control. We have \$14.6 million in the local government infrastructure fund. It is my intention to see that money spent this financial year. You asked how many submissions we received. The answer is 135 from 56 councils. We approved 84 projects from 49 councils, so that is a huge spread across the state.

I will talk about some of the projects. I mentioned before the upgrade to the water supply in Mackay. There is a great little project in Goondiwindi. They want to take Lake Coolmunda to the next level and really make it a bit of a tourism attraction. In my home city of Townsville there is an upgrade to the creation of a digital scoreboard and replay screen at Tony Ireland Stadium as well as an upgrade of a PCYC. In Cairns there is money to do an upgrade of a sporting facility there at Endeavour Park.

I wanted to highlight to the committee today something that I mentioned earlier about the changing face of local government. Independently of each other nine councils put in applications for CCTV. There was no separate bucket of money 'saying CCTV'; it was just something that was put forward. Those councils varied in size. Brisbane City Council, the largest local government in the country, put in an application to upgrade their CCTV in the Valley to take it to the next level in terms of quality and the way it records. But there were also smaller shires covering little communities like Warwick. If anything shows the changing face of local government, and, indeed, the community, that is it. There was a time that you would not have dreamt of a small community thinking about CCTV, and there are a couple of reasons for this. First of all, law and order was not the issue that it is today, and we have got to face up to that. Communities have a right to feel safe, and there was a time when that was not on the radar. It also shows that local government is not just roads, rates and rubbish, as it once was. It is so much more. I take my hat off to those councils. They are getting the message from their communities that they should be part of it, and as a result they are looking to either upgrade—in the case of a larger council like Brisbane and the Gold Coast, who have got funding for that—or in those smaller local governments, places like the Fraser Coast, to implement new systems for the first time, and I pay tribute to that fact.

**CHAIR:** I refer to page 82 of Budget Paper No. 3, capital grants. Can you provide the committee with details of the Thargomindah integrated community hub funded last year as part of the LGGSPIS grants?

**Mr CRISAFULLI:** Thank you, I am most glad to receive this question from you. I know you are someone who has done quite a bit of time in these parts of the state, I can tell you. First of all, it is interesting to think that the shire has approximately 370 people in its population. The mayor is a gentleman by the name of 'Tractor' Ferguson. They came to us with a project to create an integrated community hub. You must be saying, 'What on earth is an integrated community hub doing in the middle of Thargomindah?' It was once a student hostel, a building that was no longer of any use to the community. The council came and asked for us to put \$320,000 into a project in that had a value of about \$800,000. For a start, it was good value for state taxpayers—we were making a contribution—but the local community was not shirking away from its responsibilities. This integrated community hub will have a myriad of things in it: internet access and all of the IT facilities that come with it; a meeting room with seating for 50 people; and a coffee shop, something that I am most excited to see. They have done the work in record time. They only began work a few months ago, and I will actually be going out to Thargomindah in the next couple of weeks, I think, to officially open it.

It was one of 67 projects across 43 local governments in last year's funding application. Whilst I have mentioned that not all of that work was done—due again in many cases to factors beyond the control of local governments—the projects are good projects, and I look forward as part of this year of delivery to seeing these projects concluded and, indeed, the next round taken to the next level.

**Mrs SCOTT:** For the benefit of the committee, I table a document on Brisbane roads and river crossings.

**CHAIR:** For members of the committee and members of the public, the member for Woodridge is a member of the committee, so therefore she can table that document.

**Mr MULHERIN:** How much money did the government pay the boundaries commissioner to assess and make recommendations on five out of the 19 proposals for possible deamalgamation?

**Mr CRISAFULLI:** It is in the order of \$50,000. I would like to talk about that process. We appointed the former mayor of Mackay, the hometown of the honourable member, to embark on that

project. I asked the boundaries commissioner to work with QTC to do an analysis. We had submissions from 19 different communities ranging in size and shape. We said that wherever it was possible to create two viable councils out of the one existing council, we would let the community have an opportunity to have its say.

I have never once sought to hide behind the fact that the commissioner recommended that only one of those shires went to a vote, and I guess I am premeditating the next question from the honourable member, and I apologise if I have done that. I will answer it again, as I have with your first five questions. I have not sought to hide that fact. We said wherever it was possible we would do what governments do not do enough of, and that is put the facts on the table. We put the facts on the table and we said that it can be done. You can create two viable councils, but it is with significant cost and it is with significant challenges in the years to come. That is what we did. The advice that the boundaries commissioner provided was without fear or favour, and that is the way advice should come to government.

**Mr MULHERIN:** Minister, I acknowledge that you said that you went against the advice of the boundaries commissioner, so one would ask whether taxpayers received value for money when you ignored his recommendations and the recommendations of the Queensland Treasury.

**Mr CRISAFULLI:** Can I answer that question? There is a question in there. I will say that when you are a minister in a government, you should live and die by your own decisions. Provided you are not seeking to hide things from people, you should always be prepared. I will always look at advice and I will always take things into consideration, but ultimately I have to live and die by the decisions that I make. I never sought to hide anything from the community. It is a vastly different approach, I know, but one that I hope to take on board for the rest of my time in this place.

**Mr MULHERIN:** Minister, I refer to the fact that the boundaries commissioner recommended that Livingstone Shire not proceed to a deamalgamation poll because the remaining Rockhampton Regional Council was evaluated as unsustainable and deamalgamation would result in an unwarranted financial burden on ratepayers. The only people allowed to vote were the ones in the former Livingstone Shire. Contrary to the recommendations, you have now exposed the people of Rockhampton Regional Council to a financial burden they should not have to bear by saddling them with this financial burden. Why did you allow that? Why did you not allow the people of Rockhampton a chance to have a say?

**Mr CRISAFULLI:** I will start by acknowledging the sincerity of the question, and I do so and genuinely say that there is sincerity there. I totally disagree with the premise, and for two reasons. First of all, each and every cost of the deamalgamation will be borne by the council wishing to break away. In this case it is the Livingstone Shire Council. They will meet all of their costs, every single dollar—

**Mr MULHERIN:** What about Rockhampton Regional Council?

**Mr CRISAFULLI:** I will finish, member for Mackay. They will meet each and every one of their costs, and they will meet each and every cost of the Rockhampton Regional Council when it comes to deamalgamation. That is always on the table. I acknowledge that as part of all of those assessments it spoke about the efficiencies with one larger council, but there is more to local government than just efficiencies. There are many other things, and local identity is also important. It is always a balancing act. I thought that provided all of the costs of the deamalgamation process were met by the council wishing to break away—and the costs are significant—that is a very fair way of doing business. You cannot penalise someone for lost future opportunities if they are meeting all of the costs of unwinding that you created.

But now for the sting in the tail: I guess there is an equal degree of hypocrisy between the debt levels you were speaking of before and depriving people of a vote. The former minister was promising to sack councils that had a vote when he put them to the sword in 2007. To somehow all of a sudden come in here as a fighter for truth and justice in the local government way and say that people were denied a vote is, quite simply, very unfair.

**Mr MULHERIN:** Then there was a state election and the government won, so people had their opportunity, as you say, come election time. But there was an election following amalgamation and the government won. But the question is about the ongoing financial sustainability of Rockhampton Regional Council. You are saying that Livingstone Shire will have to meet those costs. That is only up to the point of deamalgamation, but this is an ongoing cost to council. Treasury have said that Rockhampton could become financially unsustainable because of your actions. Will your government financially support Rockhampton? The ratepayers of Rockhampton did not have a say.

**Mr CRISAFULLI:** Perhaps I answered the last question too well, because it is the same question. It is a question in response to an answer that I have already given. Like all councils, of course we will help the Rockhampton Regional Council. As I said before, all of those deamalgamation costs will be met by Livingstone Shire. Ratepayers in Rockhampton need to know that. In the case of Sunshine Coast, it will be the Noosa Council which is seeking to break away that will pay all of the costs. In the case of the Douglas Shire Council, it will pay all of the costs that are incurred by both it and Cairns, and that is a council that is a very small council in comparison. Finally, the costs of the breakaway of the Tablelands Regional Council will all be met by Mareeba. In the case of Mareeba it is a particularly difficult year 1 because of some upfront infrastructure that needs to be paid for that is not a capital expense—because it is an operating expense—because it will be the asset of the other council. But these are all figures that were put on the table.

You must have been looking for some smoking gun where I was going to hide advice. I do not do that. I am just very happy to put it forward. But I will always go with what I think is the right thing to do. Provided there was the option of creating two viable councils, we were always going to do it. Do you know what? The communities had a say. Before the vote people said to me, 'There are four elections. What are you hoping for?' I guess by that they meant you are looking for none; you are looking for four; you are looking for two. What suits your political agenda? My answer was, 'I do not care how many; I just want clear results'. The only thing that was keeping me up at night was if it was a 50-50 split. It did not happen. They were clear results: in terms of percentage, three were in the high 50s and one was over 80 per cent. There are those in this House who would love to have margins of that ilk.

**Mr MULHERIN:** Minister, what contingency plans do you have in place to ensure that the deamalgamated councils do not fail financially? You have said here today that you will monitor the situation and you have processes in place. What are they?

**Mr CRISAFULLI:** I thank the member for the question, because it is a good one. One of the good things that has come out of the process is in all cases these four local governments, which will become eight local governments, have had extensive reviews of their credit ratings and they know their financial systems inside out and back to front. One of the first things is we are going to allow them to set their own budget from year one—that is, from January 2014—and that will enable them to make those tough decisions early to ensure financial viability. But we have shown in the last 16 months a real willingness to work with local government. I mentioned capacity building before, but there are other things and we have had to work really closely certainly with three councils that were experiencing some serious heartache.

There is an option of stepping in and always appointing an administrator that people would say is an option, and I have seen that done. I would like to try to work with councils that are struggling early. I think we have got enough information to know that all four of these councils have some tough financial decisions to make, but they are not tough financial decisions that need to be made with a blindfold on. All of these residents went to a vote knowing the cost. We even equated what that cost would be to a rate rise. You can never say that that equates to an exact dollar term, because any council can cut their cloth to suit. Every budget you can cut your cloth to suit. You can easily sit down and say, 'We believe that this service standard shouldn't exist for this and that'll save us a few bob there and we might want to defer this.' But what we wanted to do is put on the table the cost of deamalgamation—both costs, costs for the council wishing to break away and the remaining regional council. If those costs were to be passed on to the ratepayer, this is the cost. They are pretty definitive figures. We then said, 'This is your financial rating at the end of it. This is your forecast into the future.' That was all done. To make sure that people could not say down the track, 'If only we'd known that information,' we in fact wrote to each and every resident—

**Mr MULHERIN:** But you did not allow what is left of Rockhampton Regional Council—

**CHAIR:** Member for Mackay.

**Mr MULHERIN:**—a say whereas you allowed the people in—

**CHAIR:** Member for Mackay.

**Mr MULHERIN:**—Livingstone, and it is going to impact on Rockhampton.

**Mr CRISAFULLI:** A lot more of a vote than you allowed.

**CHAIR:** That is another question.

**Mr CRISAFULLI:** We did not sack them.

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

**Mr GRIMWADE:** Minister, I refer to the Service Delivery Statements and the efforts to deal with the issue of councillors being responsible for pointing out the material personal interests of other councillors. Could you please advise how you have addressed this issue and what consultation informed those decisions?

**Mr CRISAFULLI:** I thank the honourable member for the question. Indeed, it is a good one. If I had to boil it down and go a step further from what I was discussing with the member for Mackay, it is about individual responsibility—and long may that continue. One of the things that made me most happy was repealing a section that said that not only do you have to declare your own conflict of interests—and of course you should—but there was a section in there that said that you had to declare if you suspected another councillor had a conflict of interest. The term ‘nanny state’ comes to my mind, but I believe you take responsibility for your own actions. One of the beautiful things about local government, Mr Chairman, as you well know, is people come from all sorts of different backgrounds, but outside the Brisbane City Council—the largest local government in the country—people might have different political views but they do not go there as part of representing a political team. I think that is the beauty of local government and people should be free to sit around a table and to thrash out and debate all sorts of things. But you should not be held responsible for the action of others and you should not be held responsible if you do not raise a suspected conflict of interest that somebody might have.

We also made an exemption that councillors do not have to disclose a material personal interest if the interest is common to a significant number of ratepayers, and this is something I picked up when I was visiting some of the smaller councils. They said that in some cases you will have a council with four aldermen and a mayor and there might be a grant application of a couple of hundred bucks for the local campdraft association. Well, they are either on it or the kids are in it or they run it. This was the absurdity of councillors having to leave a room and feel like criminals because they happened to be patron of an organisation or their kids played soccer there or something. That was the craziness of it.

There was also another provision that was removed which said that in the past a councillor could be held accountable if a parent or a child or a sibling—even if they did not reside under your roof—had a conflict of interest that you should have known about. You could be held accountable for that, and, again, that is a bridge too far. Every time you do something like that, all you do is ensure that good people say, ‘Sorry. I’d love to be of service but I’m not going to because it’s all too much trouble.’ So in answer to your question, honourable member, it is about responsibility for self. It is about removing bureaucratic requirements. I was pleased with the level of consultation we undertook which involved a number of the representative bodies—people like the LGAQ, the CMC, the Ombudsman, the Integrity Commissioner. But, above all, it involved consultation with 73 local governments and I sat in every single hall that they represent.

**CHAIR:** Thank you, Minister. Minister, what work has been done with councillors to further reduce red tape following changes made to the Local Government Act and the City of Brisbane Act?

**Mr CRISAFULLI:** Thank you very much for the question. I mentioned a little earlier on things like self-empowerment with the local laws, the livestreaming and the removal of the community plan. I guess one that I have not mentioned is removing regulatory duplication and red tape with things like beneficial enterprises and corporate entities, and indeed that is important. But we have also taken great pride of taking out a lot of the red tape, and by doing that we hope that we can make things easier for local government. As I go around the state I have a pretty consistent message—that is, we do not have bucketloads of cash to go throwing at people, but we do have a will to make things work and we do have a will to make things simpler for people back to a time when government did not have to be involved in everything. Good governments are governments that do not have to be in every little bunfight. You can allow people to get on with their lives, so we have done things like reduce the sustainability and reporting returns from three years to one.

I might briefly, with your indulgence, Mr Chairman, talk about the administration of a policy called GraffitiSTOP where we took the approach of empowering each local government—voluntarily—to be part of it. Therefore, it does not matter if you are talking about a huge graffiti issue in Logan or a picnic table in Longreach. It does not matter how big or small; we tailored a package to each council which allowed them a small amount of money to be able to respond to that graffiti issue. We made it voluntary and, rather than do the usual tie it up in a huge amount of red tape, we said to the councils, ‘We want to know that you’re tackling this issue. This is the reporting process,’—

simplifying it—and for the first time each and every local government came on board with that initiative. That is something I have never seen in my time looking at local councils—independently of each other, all of them came forward. We are looking to further improve that program this year. But I use that as an example of ways that we can do that. I guess the other thing is I hope through the future regional round tables—this first one will obviously be about sustainability—we can develop things like that a little further as well.

**Mr GRIMWADE:** Minister, I refer to page 3 of the SDS and the objectives and highlights for the 2013-14 year. Can you advise what engagement with local governments across Queensland has been undertaken?

**Mr CRISAFULLI:** I thank the honourable member for the question. I guess there are two answers to this—the first is the engagement that I have personally, and that is something I take great pride in, but also the engagement that we have certainly through the department and indeed through the Reconstruction Authority. We unashamedly are about speaking to people directly and being there on the ground. I mentioned before that I made it my point in the early days of being a minister to get to every council. I really thought that that was an invaluable experience. Rather than sitting down in a room and summoning people to me, I wanted to go and see them on their own terms in their own place. I found that one of the most valuable things I have done.

I have made sure that we have continued that theme though and we have been back to the majority of those councils, and I mentioned that we will be going to Thargomindah in the next few weeks and indeed to Longreach and to your part of the world as well, Mr Chairman. I look forward to coming to visit there. That is important. We are also looking to use technology as much as we can. I recorded a video message for local governments which I had distributed highlighting what I said at the start of today—that this is the year of delivery. This is the year where we restore faith in the art of governing, where we say we are going to do this and we are going to do it; this is the project we want to do and we are going to do it. So, in the case of those local government grants, they have a 12-month window to deliver it. So it is not insignificant; it is a big challenge. To think in the past that we had carryovers going many years, it is a big challenge but one that I am confident they will meet.

We have also though—and I have to acknowledge the work of the department—conducted workshops with in excess of 300 councillors and senior staff on those amendments to the act and the regulation. I want to get the most out of those changes. Those changes are about giving elected officials the ability to set a course—to set the vision—and for the staff to know that they can work together to deliver it. We have made sure that we have been and spoken with every council so they know their roles. It is about making sure that everybody knows their role in that. We have implemented a bimonthly electronic newsletter and, I guess at the risk of sounding like a broken record, Mr Chairman, those regional round tables will also be something that I think will bear significant fruit in that regard.

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

**Mr MULHERIN:** Minister, the people of Kuranda and other small communities in the nominal Mareeba local government authority area who do not wish to be separated from the Tablelands Regional Council feel like they are not being heard by this government. Have you met with them or are you willing to meet with them in order for them to have their say?

**Mr CRISAFULLI:** I thank the honourable member for the question. I will start by giving a little bit of the background and then I will answer the last part of the question about whether I have met with them and will I meet with them in the future. I have to acknowledge that in the case of Kuranda, which was part of the Mareeba shire, there was a strong feeling from that little community that they did not want to be part of the new Mareeba shire. Not only is that expressed in things like the newspaper; it was expressed in the vote. There is no doubt about it. But there was an overwhelming majority of people in the former Mareeba shire who did vote for it. What we said from the start is we were not going to embark on a project of redrawing lines on the map and pulling people here, there and everywhere. It was about giving people the opportunity to vote on those former shire boundaries. So I never dreamt up putting Kuranda in with Mareeba. That was what existed previously. The reason for that was twofold: first of all, what local government needs is a bit of clarity. What local government and local communities needed was certainty, and I was not going to embark on a project that continues to drift and drift and drift. We were going to take a decision and we were going to make it work for those that deamalgamate, and for the rest of the state once that happens onwards and upwards and we make it happen. The other reason is all of those figures that people voted on were done by the QTC comparing that former shire, and people needed to know the costs involved. They

could not be hypothetical; they had to be strong, and we put that forward. So I acknowledge that in the case of those residents from Kuranda many of them did not want to go. I also acknowledge that some of them suggested they wanted to be with the Tablelands, some of them suggested they wanted to be with Cairns and there were some of them that wanted to go to Mareeba, and the vote showed that. What I can give them in the future, though, honourable member, is that certainty that we are going to make this work. I have encouraged them to make sure that they have a strong say as part of this process. I have met with them. I met with them when I visited Cairns and I commend the way—

**Mr MULHERIN:** How long ago was that?

**Mr CRISAFULLI:** I could check my diary, I say to the honourable member, but it was certainly post the de-amalgamation vote. They conducted themselves with great valour. They were not aggressive. They were upfront. What I have said to them is I will meet them again, but it has to be a meeting about trying to make this work. I am not going to change my mind. A decision has been taken. The goalposts were not moved. The boundaries were not changed. They voted on the same lines. As with all elections, there will always be pockets of people who have different views on different things. There are people in my electorate who would rather have someone else representing them, as there are in yours. But overall a decision was taken—and a strong decision with a strong mandate. I guess that was the thing, as I said to come back to you earlier, that pleased me the most. So if the question is will I meet them again as I have already, the answer is yes. But I will only meet them to talk about making this work. I am not going to repropose an argument about an election that we have had. I am not going to fill them with false hope. I am not going to continue to let this drift on. We have to make this work. We have a transfer manager who is in place. He is living in the community. He has to make this work and the only way to do that is if people have that certainty.

**Mr MULHERIN:** I note the article in the *Gold Coast Bulletin* this week in which government MPs on the Gold Coast restated the government's position that the council is responsible for repairing beach erosion on the Gold Coast. Have you had any discussions with Councillor Tom Tate, the mayor of the Gold Coast, about the significant erosion issues facing the Gold Coast beaches?

**Mr CRISAFULLI:** I thank the honourable member for the question. I met Mr Tate a couple of weeks ago and discussed a range of issues for the Gold Coast. As you know, we are doing quite a bit for the Gold Coast—the Commonwealth Games, we are delivering police helicopter services, we are upgrading the police station at Broadbeach. These are the things that the state should and must help. I also mentioned before the CCTVs. We are also giving in the order of about \$180,000 for the Gold Coast to upgrade their CCTV systems. So indeed we are.

In terms of the issue with the sand, with the mayor and I, like many relationships, there is a lot we agree on and there are some things we disagree on and I disagree with the mayor that it is a state responsibility. There is a lot of east coast along Queensland and there are a lot of councils. It is a responsibility of local government and has been forever and ever. My message to the mayor was, rather than prosecuting an argument that he was not going to win, it was to roll up his sleeves and do it. I must say nothing gave me more pleasure than to see in the last few days that sand beginning to be repumped on to those beaches courtesy of the council. It is probably a little later than I would have thought. I would have got in and started it much earlier. But at last they have. I understand that it is a challenge to find money at any time. It always is. The Gold Coast is a large council—it has a budget of in excess of \$1 billion—and I acknowledge that it is still always a challenge to find money to do things. But there are some things that you are responsible for and your community expect and deserve it and, therefore, you do it. It would be equivalent to us saying, 'Oh my goodness, there's an issue. We would like to see more police. Why don't we go and ask the council to fund that.' We would not do that. That is our responsibility. In the same way the beach issue—sand replenishment on beaches—is a local government responsibility. I have to say that I acknowledge the fact that that work has begun in the last couple of days.

**Mr MULHERIN:** So it is the ratepayers who fund it, Minister?

**Mr CRISAFULLI:** There is no magic pudding. You should have discovered that.

**Mr MULHERIN:** Has your department done any modelling on the potential financial burden that continual repairs to the Gold Coast beaches will place on the Gold Coast council?

**Mr CRISAFULLI:** Again, I thank the honourable member for the question and I am going to answer it in the same way as the last line of questioning. I am not the mayor of the Gold Coast. The role of the mayor of the Gold Coast will be to determine the funding priorities for his city. He has a big budget. I acknowledge that. He has a big budget. Regardless, in any budget it is always a challenge.

There has always got to be things that go in and go out. But it is an important part of the city, it is an important responsibility of council and I pay tribute to the fact that work has started.

**Mr MULHERIN:** Minister, have you held any discussions with the Deputy Premier on his department's paper regarding infrastructure charges? A number of local governments, including the Mackay Regional Council, have expressed concerns about the outcomes of this review in that they would be financially disadvantaged. Have you had any discussions to provide the Deputy Premier with an insight into the thinking of local government? I think you were on record as saying that one size does not fit all.

**Mr CRISAFULLI:** I thank the honourable member for the question. The answer is significant. I have had significant discussions with the Deputy Premier. I even met with your council the other day and put forward a solid argument in that regard. Whilst the honourable member is spot-on—it is not my responsibility—I make it my business to try to have input into that, because it is a significant factor. There are two elements of infrastructure charges and, unfortunately, we only talk about one. So if you would indulge me, Mr Chairman, I will talk about both of them. The first is who pays and when they pay it. We keep dancing around this issue, but whether it is the ratepayer, whether it is the taxpayer, whether it is the developer when they are chopping up the land, ultimately there is only one person who pays and that is mum and dad. It always comes back at the end that someone has to pay for it. There is always a consumer. So whether it is the ratepayer, whether it is the taxpayer, whether it is mum and dad when they buy their block of land, either way that is the issue. We can talk about timing and we can talk about caps. The history of this is not pretty. I lived through it as chairman of my planning committee in my council. Deadset: it was a backflip-a-thon. It just kept on changing the goalposts. There were caps in and out if it was two bedrooms or three bedrooms. It was a shambolic mess. There are others on the committee who have lived through that as well.

That is the first element. But there is a second element to it and that is the type of infrastructure that has to be funded. That is the part of the debate that we have not addressed and that is the part of the debate that I would encourage everyone around this table to seriously look at, because we can keep talking about who pays and when they pay but until we face up to the situation that the cost has to be borne by someone and that that cost is hurting people, we will never be able to solve the problem. So we have to ask ourselves the question: what type of infrastructure do we want to deliver? What type of roads? What type of water treatment plants? What type of sewerage plants? What standard of parks? All of those questions are the ones that we have not answered. As part of any review, the headline figure will always be about a cap and one side saying this and that, but we will never make true headway unless we deal with that. That will come with a degree of political pain for all of us, but I am certainly prepared to wear the political pain if at the end of it there is less pain for the hip pocket of everyday people.

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

**Mr WOODFORTH:** Can the minister please advise the committee on some of the other key milestones achieved in the Bundaberg and North Burnett clean-up effort?

**Mr CRISAFULLI:** I thank the honourable member for the question. I come back to, first and foremost, the speed of the recovery. That has been something that I have been particularly interested to see and particularly proud of. I mentioned in my opening remarks the fact that what took 18 months to get a small fraction of work to the market has been done in less than a quarter of the time. But there have been a number of other elements to the recovery. You mentioned Bundy and North Burnett. That certainly has been ground zero. That is the one that we have all seen on our TV screens. I should acknowledge the work of both of the mayors—both Mal Forman and Don Waugh—both first-term mayors, new mayors, albeit with experience in local government but first-term mayors. It has been a learning forged in fire, but they have done a mighty job for their communities.

Along the way I have heard some incredible success stories and seen some incredible heartache. I have visited the region in the order of about a dozen times—that particular region—and I have seen tears and laughter, but we have seen a recovery. Nothing gave such a boost as when the Origin team visited and to have some of Queensland's favourite sons really give a lift. While he was there, the coach, Mal Meninga, helped me promote some of the citrus fruit in the area. Some of the oranges had been battered by the floods. Like Queenslanders, they were a bit battered and bruised, but there was nothing wrong with them inside. We have managed to push that and tried to encourage some of the mainstream markets, including some of the major supermarkets, to stock those products to try to help those farmers.

We have seen some betterment projects. In late June I attended the first sugar ship leaving port. We had an announcement yesterday where the federal government has agreed to pay its share of further deepening that channel. There is a little bit more to go in some other areas, but that was a wonderful start. We have had over 600 households provided assistance. We have had a community recovery package for things like counselling and mental health. There is a long road ahead, but this week marks six months. I would like to think that we have given the community two things: the first is we have given the community a glimpse that things can happen and can be delivered but the other thing is I hope that we have given the community an understanding that, whilst some parts of the state were not affected, they are still in the thoughts and the prayers of those people.

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

**Mr GRANT:** Minister, I refer to page 3, dot point 10, where the government is looking at recovery and resilience activities implemented to mitigate the effects of natural disaster and that you will be establishing a strategy governance and resilience division. Could you advise when that division will be up and running?

**Mr CRISAFULLI:** The answer is that it is actually up and running now. They are tasked with the responsibility of drafting and implementing the government's flood recovery plan. They will deliver a community resilience campaign to help build that into our communities and infrastructure. But let me give you what I think is the key priority of that group and that is to identify opportunities with local government to do things on the ground to mitigate against future events. We will never—never—flood proof a state like Queensland. We all know that—never. But that does not mean that we cannot do better and that does not mean that we should not look for opportunities to embark on projects that have for too long been put in the too-hard basket and for a combination of reasons.

There was a time period where, because we had not suffered from events of this magnitude—and we have had a rotten run in the last few years—if anyone mentioned a building a levee bank or a retention basin or a dam where the community wanted it built, they were painted as some sort of environmental vandals. I think that sentiment, if you pardon the pun, has been well and truly washed away—and for good reason. When you ask what is in my view one of the most important roles of this team, it is to help local government build those sorts of projects. I was with the chairman the other day at St George where they are looking to build a levee for their community. There are those in the community who are opposed to it. Of course, there are. There are always winners and losers whenever you put up a levee bank. It stops water, which means that it holds back water. But to the great credit of the council they are progressing with a levee that will protect a huge number of homes in that region.

We are also looking to assist in Roma. We have put forward a contribution, both through the local government grants project and the Royalties for the Regions, the flood component of that. Two little communities in the Paroo shire, one called Eulo and one called Wyandra, again small little projects, not multimillion dollar projects, small little projects, where the council has come to us with an idea and we are going to back them to protect these small little towns because we think if local government is willing to do it we should be shoulder to shoulder with them. There are other things as well: backflow prevention projects, some flood preparedness issues. All of that will be looked at. The new team will also play a role in helping with the floods response subsidy. Again whilst not a huge amount of money, it is an important amount of money and my view is to make sure that this team drives delivery in this financial year.

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

**Mr WOODFORTH:** Thank you, Chair. Minister, I refer to page 2 dot point 2 of the SDS. Can you please outline to the committee what help for communities most stretched by the mining boom is on offer through disaster mitigation and resilience funding.

**Mr CRISAFULLI:** Thank you to the honourable member, through you, Mr Chairman. I guess the greatest thing we can do when we talk about communities that need help through any boom is to deliver the work promptly. What we have done this year for the first time is we have actually streamlined the application process when it comes to putting in applications for disaster mitigation and resilience. Previously there were three projects administered by separate agencies and whilst there was collaboration, and that was something that had to occur, this year it will all be administered through this department and it will be done with one application. Those three programs are the Local Government Floods Response Subsidy, which I mentioned before; the Royalties for the Regions flood funding, that comes across; and there is also the Natural Disaster Resilience Program. That particular component is funded jointly between the state and federal government. We are still not quite sure the

quantum of money there, but we are getting close to having a resolution and having an agreement signed. What we didn't want is for all of the projects to be held up while that was negotiated. Applications have gone out. Councils are busy looking at putting them in. The joy of putting them together is you are going to have a quantum in the order of \$35 million and, as I said, the last bit is still being negotiated but we have had good spirit from the federal government. The joy of that is for a start the council doesn't have to pick which is the best bucket of money to apply for. They can also with confidence put in an application and know that if their project stacks up the best they have got the best chance of making it work rather than having a situation where you put it into the wrong bucket and you would have got it if you went somewhere else. But above all it cuts red tape and it actually gives every opportunity to get good projects up. There have been some really good thoughts. I come back to my earlier point, you are never going to flood proof the state of Queensland, you are certainly not going to flood proof it with \$35 million, but I think we are going to make some good starts and we already have. Some of the projects that are underway are, quite frankly, exciting.

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

**Mr SHORTEN:** Minister, I refer you to page 30 of the SDS which deals with the Queensland Reconstruction Authority and where in strategic direction the government aims to deliver best practice expenditure of public reconstruction funds and I ask: has there been any difficulty in signing off on some local government reconstruction expenditure and has this been done in a timely manner?

**Mr CRISAFULLI:** Mr Chairman, I thank the honourable member for the question and the answer is yes there has been some difficulty. In the same way that I am always prepared to acknowledge good work from either side of politics, and I have done that on several occasions today including in my last answer, I will also have to acknowledge when things aren't right and, quite frankly, in this regard there is something that is not right and that is that at the moment we are still out of pocket to the tune of \$725 million. We are out of pocket because of nothing more than over-bureaucratic, mean and tricky accounting practices.

Let me detail the story a little bit first. There is no doubt that there has been in recent times, certainly since the creation of the Reconstruction Authority in 2011, far more stringent reporting processes and guidelines and that is good. Everyone wants to see money spent in the right way. This year we had more QRA officers on the ground with local councils than ever before. I think that was one of the great keys to the success. Often what has happened in the past is you have had councils put in applications and you have had argy-bargy that can go on for an extended period. This time we were on the ground more than ever before and as a result a lot of those problems were ironed out at the assessment stage so there was no need for paper warfare stretching for months. There is no doubt that it has resulted in stronger submissions.

But what I want to point out is that there is still an outstanding amount predating 2011 in the order of \$725 million and each and every taxpayer of this state is paying it. It has been an issue that unfortunately has not been able to capture the hearts and minds of people because the work has been done. Now, if there were broken roads and that money hasn't been paid there would be all hell to pay. It would be top and centre and we would be on the front page of every newspaper and we would all be belting everyone up to get action. Unfortunately in this case the money has been paid, but the shortfall is being picked up by the state taxpayer. As you all know, as part of the recovery arrangements it is funded 75/25. The federal government pays 75 per cent, we pay 25. What the federal government is saying is because it does not meet a reporting guideline that exists today the money is not entitled to come to Queensland taxpayers. And that is not fair. Councils have not done anything wrong. Based on the rules at the time they did exactly what they needed to. But to apply retrospectively a set of guidelines that were not there in that instance is just not fair. To quote from the Queensland Auditor-General, he said, 'At a practical level local governments have found it difficult, if not impossible, to comply with this new and higher standard of evidence in respect to pre 2010-11 flooding and Cyclone Yasi claims.' I say, through you, Mr Chairman, it just doesn't make sense. The work has been done. You only have to go to the communities to see the work has been done. The loser unfortunately in the long run will be the Queensland taxpayer. I ask each and every one of you to continue to make it an issue as part of this campaign, the federal campaign. We do not want Queenslanders short-changed for work that has already been done.

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

**Mr MULHERIN:** Minister, in the discussion paper on infrastructure charges it talks about revising the list of essential infrastructure and removing non-essential infrastructure which has been flagged as stormwater networks, arterial roads, reduction of green space. At page 20 of the paper it

says that these revisions to the list of essential infrastructure will 'show a reduction in infrastructure costs for a developer regardless of location based on the reduced scope of infrastructure.' Minister, have you assessed what these changes would do to the financial sustainability of local government? Ultimately someone has to pay.

**Mr CRISAFULLI:** Mr Chairman, I thank the honourable member for the question. Whilst infrastructure charges are not my bailiwick—

**Mr MULHERIN:** I realise that.

**Mr CRISAFULLI:**—please let me answer it even though it doesn't correspond with the SDS.

**Mr MULHERIN:** Support local government financial sustainability.

**Mr CRISAFULLI:** Indeed the member for Mackay is correct. It is a challenge and it is a challenge for all the reasons I outlined before. Yes, there is a draft discussion paper and they are the things that we have to discuss, they truly are. But one of the great things we have to face up to, and it is something that the previous government weren't prepared to, and that is you cannot be all things to all people and not pay. You only have to look at crazy green schemes on things like electricity to understand that, where we are now seeing, when it comes to power prices, our crazy green chickens coming home to roost. The problem is if you factor in all of your best of breeds, ultimately someone has to pay. There is no simple formula. So we have to look at the infrastructure. I think that is where you are getting to in your question, honourable member. We have to look at that. We have to look at the standard of infrastructure. To do it in any other way will not work.

**Mr MULHERIN:** Just one other question while we are on infrastructure, Minister. With the changes being proposed in the infrastructure charges discussion paper will you rule out any external financing of local government infrastructure as part of the reforms for local government?

**Mr CRISAFULLI:** Mr Chairman, I thank the honourable member for the question, and can point to the fact that we play a large role in helping to fund local government infrastructure. You only have to look at some of the things I have been talking about to know that. In the case of the local government infrastructure grants, one of the projects, in fact, was an upgrade to a water treatment plant in the honourable member's home city. There are others who put forward an application for upgraded water and sewerage. I gave a significant grant to the Rockhampton Regional Council. They are embarking on an exciting project there. We will continue to assist local government.

Funding of infrastructure is a challenge. What was a huge challenge was a few years ago when the 40 per cent water and wastewater subsidy was taken from local councils. Again no consultation, it just happened. In fact, the first local government knew about it was when they awoke to the budget news. It has had a huge impact on local government. I wish we were in a position to be able to return that and I hope one day with the right financial stewardship we will be. In the meantime what we have to do is take opportunities to fund those sorts of projects and we have, through projects like Royalties for the Region. There is significant work in areas like Roma. You would know, Mr Chairman, that the sewerage capacity there was severely tested, severely over capacity. But also through local governments we are trying to take every opportunity to fund those projects, but there is a long way to go. Infrastructure funding will be a big challenge for councils.

**Mr MULHERIN:** Minister, I will move to questions around the Reconstruction Authority. When are you expecting to have all the reconstruction work finished and what will happen if the deadline is not met?

**Mr CRISAFULLI:** Mr Chairman, I thank the member for the question. It is a good question. We had a deadline approach at the end of June of this year for work predating, and we worked with local government to deliver, almost entirely, that work without having to go and ask for an extension. The message is simple: we do not have the appetite for pushing it back time and time again. This year is the year of delivery and what I see so far is a real appetite for councils to make that work. It is early days and you can always be knocked around. You only need another disaster event to really put you back in your place. But the first few weeks of this financial year have been good ones. The last couple of months have been particularly good. I acknowledge the work of the Department of Transport and Main Roads, which are in fact leading the way in terms of their delivery of the work. But councils have also changed as well. They are also delivering at record times.

In answer to the honourable member's question, we don't want to get in a situation where we're going cap in hand to the federal government asking for extensions. We don't want that. We don't want it for two reasons: one is we don't want to have to go and say to them that we haven't met our targets, which has occurred in the past. The second reason is the communities don't deserve to be put

through it. We have got to find every opportunity to give people a reason to celebrate and we've got to take every opportunity to do that. If we can show them that we are serious about replacing infrastructure, if we can show them that we are also going to not just replace but make better with that small amount of money that we have, we've got to take every opportunity to do that. In the process we can rebuild not just the infrastructure of communities, but we can rebuild people's spirits as well.

**Mr MULHERIN:** Minister, I acknowledge that you are working to try to meet those deadlines, but just in case you don't, what sort of contingency have you got in place?

**Mr CRISAFULLI:** We are going to make them. I say through you, Mr Chairman, that the honourable member quite rightly points out how important it is to make those deadlines. He is right. I am not going to turn this into painting stories of the past, because that will serve no-one's interest. All I can say is there has been a big turnaround in the way that both the state and councils have delivered their recovery this time around. That turnaround has not been by chance. It has not been by fluke. It is part of a new relationship and it is part of a new on-the-ground approach and I could not be happier. I say to the honourable member that it is something that I am going to make sure that we just keep on delivering. It has to be done. All of the delivery mechanisms point to us not just delivering on time but maybe even a little bit better than that. The last thing we would want is for another summer of heartache. However, if that happens, we will deal with it. We will pick it up in our stride and we will go. But all of the early signs are that this will be a year of record delivery.

**Mr MULHERIN:** Unfortunately, we have had a fair bit of experience in the last few years about delivering, so one would hope that we would get better in the way that we perform the reconstruction tasks. I pay tribute to your agency, the Reconstruction Authority, for the wonderful work they have been doing with local government. Minister, how much money has the Commonwealth advanced to the state under the regional national partnership agreement signed by both governments in 2011? Could you separate it out in years from 2010-11, 2011-12 and 2012-13?

**Mr CRISAFULLI:** Thank you very much for the question. I will get those figures and I will make sure that I give the right figures to the honourable member. Needless to say, though, one of the huge challenges for the state, despite the fact that there are payments that come through, it is always money that we have to find in the budget. It is always money that we have to, first of all, stump up for and then retrospectively go looking for. The example that I gave before, which was of that \$725 million, proves that nothing is guaranteed. Nothing is guaranteed. It is easy to say, 'Look, 75 per cent will be met by the Commonwealth', with the exception of the betterment, obviously, which is where we are going to be funding 50:50, that betterment argument—

**Mr MULHERIN:** That is under category D, Minister?

**Mr CRISAFULLI:** That is correct. The reality remains that there is always a risk of that money not coming in. Sadly, the figure I gave before is proof of that. That money needs to be found. In this year it is \$4.2 billion. Of that \$4.2 billion, whilst we are programmed to get 75 per cent of that, there is always that risk that is there. To go through the actuals to 30 June 2013, that is, to date: Commonwealth funding of \$5.2 billion.

**Mr MULHERIN:** That is 2012-13?

**Mr CRISAFULLI:** That is the actual to 2012-13. The forecast for 2013-14 is \$1.6 billion. That is a deficit this year of \$1.5 billion. If you take the cumulative deficit of those two years, it is a deficit of in the order of \$1.2 billion. There is always that catch-up. That is one of the struggles. The \$725 million is an example of it, applying a different set of standards. I do not seek to say that there is anything but goodwill from everyone in this regard, but there is the reality that it is always the taxpayer of Queensland who has to fund it up-front and you would know that, honourable member.

**Mr MULHERIN:** Minister, can you take on notice the figures for 2010-11 and 2011-12?

**Mr CRISAFULLI:** No, we will continue to get those for you. I have them here. Mr Chairman, the dates of receiving and the event that it relates to: we have 7 March 2011 and that is for 2010-11, and that is \$1,000 million or \$1 billion; 7th of the 6th, the same amount for the same event; 7th of the 6th, \$50 million advanced for Yasi; 28th of the 6th, \$206 million advanced to Queensland LGA package; 7 February 2012, \$500 million advanced for summer floods and Yasi; 7 February 2012, \$1.4 billion advanced pre 2010-11 disasters and 2010-11 summer floods and Yasi; 7 May 2012, \$1.051 billion unaudited certificates for 2008-09, 2009-10, 2010-11, total \$5.2 billion.

**CHAIR:** Minister, we might move on. Minister, on the issue of reconstruction expenditure and recovery, I understand that \$725 million was for 2011. I think that is what you were saying. What about impediments by the Commonwealth for current recovery processes? Are there other issues that

we have not discussed in relation to what is likely to impede the next disaster that comes or have we covered that?

**Mr CRISAFULLI:** I think there are probably impediments for not just the next one but also the recovery now. It is something that I touched on very briefly, but I thank you for the opportunity to expand on that. It is the fact that, either via a mistake or a failure to understand the magnitude of the recovery, when the new Prime Minister came to office there was no dedicated flood minister in cabinet. To me, that was a big, big mistake. We raised it. We raised it very strongly. The first thing we were told was that the Prime Minister said he would do it himself. Then the Attorney-General, Mark Dreyfus, was sort of given a responsibility in some regard. There was a parliamentary secretary appointed, Shane Neumann, to help oversee it.

I guess my issue is to highlight that it is one thing for a politician to go and stand at the time of a crisis and that is important—we need the leadership at the time—but it is equally important to roll up your sleeves and finish the job and go back, time and time again, to an area and show that you actually care about them. I thought that sent the wrong message. Less than six months after an event to not have a flood minister in cabinet I thought was wrong. Senator Ludwig and I had some discussions at times where we had very different opinions, but he always took my call. He was always willing to have a frank and open debate on something. Whilst I would have liked to have seen more success in the area of betterment, he still did help make a contribution to a fund that has never existed before like that. I still say, looking back in time, that will be a turning point in the way we recover from floods.

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

**Mr GRANT:** I am going to move from recovery and resilience to grants. I refer to page 3.2 of the SDS. What support will local communities receive as part of the Show Societies Grants Program?

**Mr CRISAFULLI:** I thank the honourable member for the question. It is something that I am most excited about. At the heart of every community is the local show. In some electorates such as yours, Mr Chairman, there are many local shows. However, the one thing about them is that they are the glue that brings that community together. One thing that I am most pleased with is that this year there will be \$2 million that goes to local show societies. In most cases they are independent bodies. There are 131 show society grants that have been approved. A couple of those are still run by the council, but the vast majority are just mums and dads who roll up their sleeves. They are the lifeblood of those communities.

One thing that I am most pleased with is that, aside from that, we have put aside a small amount of money for shows that were impacted by the floods to come forward with additional applications to try to look for ways to make them more resilient into the future. It might be looking at some technology to support records, it might be fixing up a piece of infrastructure. Either way, the local show is at the cornerstone of the community and the smaller the community, the more the local show means.

**CHAIR:** Minister, going back to talk about recovery and resilience. We really have not gone into detail about the Betterment Fund. With the agreement with the Commonwealth and the differing alternatives that are proposed, how do you think that will progress? Without a successful arrangement between the Commonwealth and ourselves, we are not really going to get anywhere with that. Maybe you can give some examples of what can happen if we do it right?

**Mr CRISAFULLI:** I would love nothing more than the opportunity to talk about betterment time and time again. As I go around the state, I keep using the betterment arguments as something that is of such vital importance. Nothing would give me more pleasure after the next disaster event than to be in a position where, instead of going and standing beside a crumbling bit of infrastructure, I can go and stand beside one that survived. That is the joy of this Betterment Fund. We wanted a \$200 million fund, jointly funded 50:50 between the state and the Commonwealth. We got \$80 million, so we got \$40 million each. It fell well short of what we wanted. We had one of two options. We could have easily done the political dummy spit and put our thumbs in our mouths and said 'No, that won't do anything', or we could accept that that was all that was on the table from the federal government and actually show value. That is what we have done.

With the Queensland Reconstruction Authority, we have asked councils to come forward with their ideas to not just rebuild like for like, but to take it to the next level. You cannot deny the fact that if you continue to do the same things in the same way, you will keep getting the same results. There are roads that have been rebuilt to the same standards and they have been smashed year upon year, and likewise with bridges. This changes that. As I said, \$80 million will not change the world, but it will

provide us lasting legacies that this has to be the way that we do business in the future. I have two missions: the first is to try to get that remaining \$120 million, to try to get a commitment of \$60 million as part of this federal election. Secondly, I would also like to see it expanded to state assets. At the moment, one of the conditions is that it only applies to local council assets. I thought that was a little bit narrow minded, because if it is good enough for council assets it should be good enough for the state because, at the end of the day, it is all funded in the same 75:25 manner. I want to see extra money and I want to see those priorities where they mean something to council, whoever owns the asset, to be able to deliver it.

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

**Mr WOODFORTH:** In regards to the Betterment Fund, budget paper No. 2 page 8 and in reference to the question on notice, can you provide details of the Moorabinda Drive betterment project?

**Mr CRISAFULLI:** I thank the member for the question. I am delighted to answer it. The joy of these betterment projects is that in each case we have had a willingness for local government to be involved. Why this is particularly of interest is that if you look at how the asset gets redone if it is destroyed, ultimately, it is not the local council that bears any of the cost.

The fact that these assets keep getting washed away time and time again means the federal government pays 75 per cent and the state government pays 25 per cent. The local councils have seized on this betterment as an opportunity. They have even been willing to make a contribution. What that shows is a level of government that is in touch with its community. Whilst they may not be up for the cost, they know the pain that that causes their local area.

You asked about Moorabinda Drive which is in the Fraser Coast area. It services around 70 properties. It is an important inland route. It has been damaged time and time again. The best thing is that of a betterment component of \$339,000, the local council is contributing nearly \$80,000 to that project.

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

**Mr MULHERIN:** My question is to the CEO of the Reconstruction Authority, Mr Newton. Previously the minister referred to a sum of over \$700-odd million that has not been paid by the Commonwealth. Has the Queensland Auditor-General formally signed off on that funding amount?

**Mr Newton:** I thank the member for the question. The Queensland Auditor-General did a review of those works and the documentation and he provided a qualified audit on those. That was what went to the Commonwealth and which led to the Commonwealth not proceeding to the acquittal. But I refer back to what the minister was saying which is correct in the respect that the processes and procedures that are being applied now are being worked through with the Auditor-General to try to recoup those funds.

**Mr MULHERIN:** The Auditor-General did say—

My assessment was that these did not constitute sufficient, appropriate audit evidence to fully support the eligibility of claims.

You say that you are now working with the Auditor-General. Is it not the case that the ball is in the Queensland government's court? If it was a qualified audit, would you pay?

**Mr CRISAFULLI:** Could I respond to the member's question in two parts.

**Mr MULHERIN:** Hold on, Minister. The question is to the CEO. I am entitled to ask the CEO.

**Mr CRISAFULLI:** Sure, but let me make two points. The first is that your question is absurd for two reasons. The first absurdity—this is my particular favourite—is that it dates back to a time when you were in government. It would be so easy for me to blame the former government and say what a shoddy job you did in acquitting, but that is not right. That would not be the case because it was a different point in time and to raise it is absurd. The second and complete reason I sit here shaking my head is, what you are effectively saying—

**Mr MULHERIN:** You are saying the Commonwealth has not paid.

**Mr CRISAFULLI:** What you are effectively trying to say now is that you are prepared to short-change your state to help your mates in Canberra.

**Mr MULHERIN:** No, I am not.

**Mr CRISAFULLI:** That is absurd.

**Mr MULHERIN:** Minister, what I am saying is that the ball is in the Queensland government's court because the Auditor-General put a qualified report in around the payments. The CEO of the Reconstruction Authority is saying that they are working through those things which means that they have accepted the concerns of the Commonwealth and the Auditor-General and you can progress it from there.

**Mr CRISAFULLI:** First of all we saw—

**Mr MULHERIN:** You are saying that the Commonwealth are short-changing you.

**Mr CRISAFULLI:** The first thing we saw from the member for Mackay was he jumped up and down because he did not want the Queensland Plan summit to be in his city and he went to Brisbane. He gets a little further south each year. He is the opposite of Graeme Connors; now he is defending Canberra.

**Mr MULHERIN:** Minister, you know for a fact that I did not say those things.

**Mr CRISAFULLI:** Yes, you did.

**Mr MULHERIN:** The Premier apologised. It was about the backflips the Premier had undertaken around community consultation.

**Mr CRISAFULLI:** The reality is the work was done at a different time and it would be wrong to criticise the former government in the same way that it be wrong to let Canberra off the hook. Right now, in the context of a federal election, you should be doing all you can to stick up for your state. It is embarrassing.

**Mr MULHERIN:** I am pleased that Mr Newton is working through the issues. It appears that you do not want to. You want to pick a fight.

**Mr CRISAFULLI:** No. It is embarrassing.

**CHAIR:** Member for Mackay, do you have another question?

**Mr MULHERIN:** Regarding category D NDRRA funding, how many category D programs or projects have been agreed to with the Commonwealth after the 2013 disaster?

**Mr CRISAFULLI:** I thank the member for the question. The answer is a considerable number because the betterment actually counts. It is classified as category D. There have been a significant number of those. But there are others. The other day we saw the announcement from the federal government about the additional dredging at the port of Bundaberg.

I will get the exact figures for the honourable member. It is a good question and it shows there are those different categories and they trigger different amounts. For the benefit of the committee I guess it is probably opportune that I explain that. Category A and B is a funding split of 75-25. Category D is where it is fifty-fifty. I think the federal government should be falling over itself to assist us and give us more money for betterment, and so should the opposition—this should be something that right now is front and centre as part of the election campaign. The betterment fund, which is the category D that the honourable member—

**Mr MULHERIN:** So Tony Abbott is going to deliver to you, is he?

**Mr CRISAFULLI:** I could not care where the money comes from. We need it. I stick up for Queensland not Canberra. The fact is that category D is funded fifty-fifty. If you are going to make infrastructure stronger, it is in the federal government's interest to do that. We are rolling up our sleeves. I have mentioned the fact that local government is also playing a role in that regard. In answer to the honourable member in terms of the number of category D applications, the answer is a significant number.

**Mr MULHERIN:** So you will take it on notice and provide a list to the committee?

**Mr CRISAFULLI:** We are going to get the information to you, honourable member. The answer is a significant number because betterment has been a key part of that. I will report that information to the honourable member.

The additional dredging in Bundaberg that the Attorney-General announced we will count as one. I would never suggest for a moment that he would go back on their word. We have got category D for the community recovery package which is through the department of communities. The betterment fund, which I have mentioned, is an \$80 million fund funded between both levels of government. We have a clean-up and recovery program through NRM of \$10 million. The figure for the first one was five, by the way. We have industry recovery officers through DAFF and enhanced concessional loans and grants from QRAA of \$1.5 million and \$3 million respectively. My apologies,

the last one, QRAA, is in fact category C. The first five, including the additional dredging for Bundaberg, are category D, but the enhanced concessional loans and grants through QRAA are category C. They have the same funding arrangements—still 50 per cent—but they are category C rather than category D.

**Mr MULHERIN:** What is the value of those category C loans? Up to what quantum could primary and small businesses access?

**Mr CRISAFULLI:** The honourable member would be well aware that that is administered by the Department of Agriculture, Fisheries and Forestry. As a former minister in that portfolio he would know that.

**Mr MULHERIN:** You have just mentioned category C. There is category D funding for primary producers and small business. Is there no category D funding for small business and primary industries or only category C? That is why I asked what the quantum was?

**Mr Newton:** It is category C to a certain threshold and then there is category D above that. We have rolled it up. It was done as a single package at the one time.

**Mr MULHERIN:** Unfortunately in the community there are always some people who will fraudulently make claims. Have there been any instances of fraud?

**Mr CRISAFULLI:** What I will do is take advice so I do not mislead the member. I will get exactly the details that he needs in that regard.

**CHAIR:** Is that part of your portfolio?

**Mr CRISAFULLI:** It is not.

**CHAIR:** You probably do not have to take that on notice.

**Mr CRISAFULLI:** I was not taking it on notice. I was just going to try to assist the member by getting some advice. I am happy not to. The money that the honourable member is talking about is through the department of communities, but I thought I would try to assist.

**Mr MULHERIN:** I thought the Reconstruction Authority had complete oversight over the whole lot?

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

**Mr GRIMWADE:** I refer to page 3 dot point 7 of the SDS where it outlines that you are developing comprehensive online resources to support and promote the understanding of local government legislation. Can you confirm when this online resource will be available for local governments to access?

**Mr CRISAFULLI:** Thank you very much. I am delighted to answer the question. There is no doubt that there has been sweeping changes in this area. The fact that we have made significant approvals in that online information will be well regarded I think. I mentioned before about the online newsletter. I mentioned about helping local government staff and councillors know about their responsibilities. I failed to mention the councillor resource kit which is something that we have keenly put forward.

I guess what it boils down to in this area is the need to make sure that people know what they are empowered to do. We are unashamedly about making sure that local government can deliver for their communities. We will continue to take every opportunity, both online and in the flesh, to deliver for these communities, and they should know that they are a valuable level of government that is charged with serving the community the way they see fit.

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

**Mr SHORTEN:** I refer to page 4 dot point 3 of the SDS. What work is being done to fulfil the recommendations of the Queensland Floods Commission of Inquiry?

**Mr CRISAFULLI:** I thank the honourable member for the question. Indeed it is an important one. There is no question that ensuring that we implement those recommendations is vitally important. I should speak specifically to those areas that I have responsibility for and acknowledge that the Reconstruction Authority has developed the Queensland flood mapping program to implement a number of specific recommendations. In September of last year we launched the flood check website and a Queensland flood study database. What this means is that councils and other agencies can upload details on existing flood information that they may hold. Probably of most interest to you is that we have now completed flood mapping for 104 flood prone towns across the state. That was done by the end of January. The program was completed as a whole by June of this

year. That is important. I mentioned at the start my intention to make sure all that information is available for the insurance companies. We need to provide every opportunity for every person to be given a break. Having good information is the cornerstone of that.

You would also be aware that \$40 million has been set aside over three years to help councils implement those recommendations. That was \$13.4 million in 2012-13, \$13.3 million this financial and \$13.3 million in 2014-15. Coupled with our desire to get results for flood communities, that is a big step forward.

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

**Mr WOODFORTH:** As it is approaching stumps, this will be my last question for the evening—just staying with the theme of things. Minister, in regard to graffiti, are you aware of any upcoming legislative changes which will also help the local governments tackle the war on graffiti in conjunction with the GraffitiSTOP program?

**Mr CRISAFULLI:** I thank the honourable member for the question and acknowledge that graffiti is a real issue. I am sure it is a real issue in your community as it is in mine. That is the thing about graffiti. It does not matter how big or how small: it makes people feel a little unsafe and it saps the pride out of your community. You mentioned some of the changes to help attack graffiti. I am particularly proud of our GraffitiSTOP program that I mentioned before—\$2 million, of which the vast majority goes straight to local government to deliver. We feel that is our contribution to something that is a real issue right across the state. Your council has in fact spent \$15 million on graffiti enforcement and removal, and that is significant.

The question you ask relates to upcoming legislative changes. It was my pleasure to announce with the Lord Mayor recently about those changes to the Youth Justice Act and the Police Powers and Responsibilities Act. What that effectively says is that councillors can now use kids between 12 and 15 to remove graffiti, and I think nothing sends a stronger message than that. We can lecture all we like. We can do all sorts of things, but getting these nocturnal creatures to go and spend some time during the middle of the hot day scrubbing off graffiti I think is just that the doctor ordered.

That can be done either by the Queensland Police Service referring them to a community based organisation, like a PCYC, or the council can undertake it if they so wish, and we have put aside a small amount of money to help the councils do that. But it is a wonderful initiative, and it has to send the message that it is something we are serious about it. It is public property and it deserves to be protected.

**CHAIR:** Minister, can you outline the changes the government has made to the LGGSP flood subsidy?

**Mr CRISAFULLI:** Mr Chairman, thank you very much for the question. It is going to be part of that streamlined approach where with the three programs the applications will be rolled into one. Therefore, I am confident that we are going to get good value for money. I mentioned before about how important responding to those floods are. This gives the council every opportunity to put forward a project that suits them most. We have unashamedly looked at helping councils determine what that project is.

It would be wrong of me not to acknowledge the community of Gympie—I have made a quite a few visits there with the local member David Gibson. Gympie is a town that is built on a flood plain and it has had its share of floods. It is the sort of community that just picks itself up and goes about its business. But there are businesses in Gympie that have been flooded five times in two years and they have simply reached the end of their resolve, and you can see that in the eyes of the people when you are there. To the great credit of the mayor, he has embarked on a study to find out what type of infrastructure is needed to help provide a level of immunity to that town. You are not going to stop Gympie from flooding, but it is about trying to make sure that that repeated hit after hit after hit does not occur, because if you can get rid of the small ones it is one less time that your business is closed and that you have to clean up from. That is why we were delighted to make a contribution in that regard to help fund that flood study. I am confident that there will be a number of communities that put forward those sorts of proposals.

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

**Mr SHORTEN:** I refer to page 4 dot point 6 of the SDS where the government is managing complaints regarding councillors through a robust, timely and efficient process including collaboration with the remuneration tribunal and the regional conduct review panels. Can you advise the committee

if there have been many complaints in relation to councillors and is the process sufficient to meet the needs of local government?

**Mr CRISAFULLI:** Thank you for the opportunity to answer the question. It probably would not surprise any committee members that the number of complaints against councillors this financial year is about half of what it was last financial year. The reason why is that last financial year there was an election and whenever there is an election it always brings out—

**CHAIR:** It brings out the worst in people.

**Mr CRISAFULLI:** Yes, it does. It brings out the worst in people, Mr Chairman. That is very true. So the number of complaints against councillors are less than half what they were in the previous financial year. Regardless of that, it is important that those who are elected to high office are held to account and that the public have an opportunity to put forward allegations against them.

The process—and you touched on this in your question, honourable member—is that in the first instance the complaint comes through to the council. The CEO then makes a decision. The complaint can fall into one of the following categories: frivolous or vexatious, in which case the CEO handles it. If it is about inappropriate conduct, it is referred to the mayor unless the complaint is about the mayor or the deputy mayor, in which case it is referred to the department's CEO. If it is about misconduct, it goes to the department's CEO. Official misconduct goes to the Crime and Misconduct Commission. If it is about another matter, it is dealt with according to what that matter is. If it is lacking in substance, again it is handled by the council's CEO. So that is the process. It is important that the complaint is treated based on the merit of the complaint to make sure that either something is not swept under the carpet, most importantly, or, if it is something that does not have any base, it does not have that elected official put through the wringer for a long time.

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

**Mrs SCOTT:** I just wish to table a letter from the Premier of Queensland in regard to the upcoming referendum at the forthcoming federal election.

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

**Mr MULHERIN:** Minister, I refer to that letter that has just been tabled by the member for Woodridge, dated 4 March, from the Premier to the Prime Minister expressing the Queensland government's support for the referendum as it is currently worded. Why did the government change its mind after 4 March?

**Mr CRISAFULLI:** I thank the member for the question and say, like the Premier, I am an enthusiastic supporter of constitutionally recognised local government—an enthusiastic supporter. In the letter that the honourable member refers to we quite rightly retain that position. We sought advice on the question and the issue is—and we have clearly said this at every opportunity—and there is a big caveat in the letter which says 'provided the state's authority is not undermined'. The problem with the question that is going to be proposed to the Australian people is that, as with most things we have seen in the last five years, it has been rushed, it has been poorly planned, it has been ill thought out and, as a result, it risks the success of this getting up.

If you are asking me whether or not I support the ability for Canberra to directly fund a local council, the answer is yes. I want local governments to be able to get their funding source from wherever they can. But if the question is 'Should that funding come with strings attached?', I am scared to my knees about it. The absurdity with the way that question is worded is that it opens the door not just for direct funding but for direct control. I have seen the circus that is Canberra. It barely controls itself. The last thing we want is for it to be controlling our councils. We sought advice on the question that is there. Other states have sought advice on the question that is there. The advice we have clearly shows that there is a prospect that it opens up the ability for Canberra not just to directly fund but to control.

As we did not want to be spoilers—we did not want to just say, 'Well this means no'—we then went to Canberra and said, 'Our advice says this. All you need to do is add this paragraph and it will remove that doubt and local government can continue to be constituted as a body under the state and it can get its funding directly from Canberra.' Because of the way that this was rushed, because of the fact that it was in a shambolic state, because of the fact that, unlike any referendum that ever goes forward, there was not 12 months given to build the case, it was too late and as a result it jeopardises the very important issue, which is constitutional recognition and direct funding.

Here is the catch: what we have asked to be added, whether or not you are a supporter of constitutional recognition of local government or whether or not you are a vehement critic of

constitutional recognition of local government, what we propose to add would strengthen and put beyond any doubt control from Canberra, and surely that is what we all wanted. Surely what we wanted was to give this every chance of success. Instead what we have is a question that has been absolutely policy on the run and I fear, after unsuccessful referendums in 1974 and 1988, this could be three strikes and you're out. Mr Chairman, you would know better than anyone, it is an important thing for local government and so is the ability not to be dictated to from a land far, far away.

**Mr MULHERIN:** So the Liberal Party is running true to form. They will do it over again. I note that the Queensland President of the Local Government Association and LNP councillor, Councillor Margaret de Wit, described your sudden change of heart on the issue as 'disappointing and bemusing'. Have you formally discussed this position with the LGAQ and what did they tell you?

**Mr CRISAFULLI:** I thank the honourable member for the question. The answer is of course I have discussed it with the LGAQ. I have even spoken directly to the president about the legal advice. We have a different view with the way that we deal with local government. We are not the government that has had the Partners in Government Agreement ripped up. We are not the government that put half the councils to sword overnight. We are not the government that forces local government to do everything. We want to work with local councils. So of course I have spoken with the president. Their advice says that they do not believe there is an issue; our advice says that we do. But the one thing we all agree on is surely you want to give this every chance to succeed.

What I say is, if there was a glimmer of doubt—and our advice clearly shows that there is—wouldn't you want to put that beyond doubt for two reasons: one is you do not want your councils controlled by Canberra but the second is you want to give this every chance to get up. The fact is that it has been rushed, done in a heartbeat. We still do not even know if there is going to be a referendum because it depends upon when the Prime Minister calls the election. Is it going to be in August or September? The whole thing has been a mess and unfortunately everything we have seen has been a mess. When you rush things what happens is that you end up putting things in people's roofs that burn. When you rush things you end up building buildings that cost twice as much as they should. That is the problem. If things would have been thought out cleverly, if a case could have been built—

**Mr MULHERIN:** Like you rushed into sacking public servants and unemployment going to six per cent and consumer confidence the lowest of any state in Australia.

**Mr CRISAFULLI:** If we could have mounted a proper case, we would have been in a much stronger position—a similarly strong position as those former directors of the racing board who were given lots of money.

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

**Mr SHORTEN:** Minister, I refer to page 3 dot point 4 of the SDS where the government is monitoring local government performance and corporate governance to determine appropriate capacity building and intervention strategies. How is local government performance going and what improvements would you like to see in the forthcoming financial year?

**Mr CRISAFULLI:** I truly thank the honourable member for the question. I probably should answer it in two parts. The first is to talk about what I see is an important role for us as the Department of Local Government, Community Recovery and Resilience—and that is to deliver the capacity-building program. I mentioned earlier about the fact that we have turned around the grants in record time. It would be wrong of me not to acknowledge the work of the staff who have put in a tremendous amount of work to make that occur, and I take this opportunity to do so. The other element is to make sure that when those councils are looking at delivering those programs, when they are looking at delivering their training and those sorts of things, they have the capability to do it. We have two components, both for the Indigenous councils and the non-Indigenous councils, to help in that capacity-building front.

The other one though of course is the regional round table. This in my mind is going to be a huge step forward for councils. Councils need to know that they have a friend in government. If there are issues that are bogging them down and if they cannot break down the barriers, they need to know that we will assist them. At the end of the day we all serve the same people—one level of government calls them ratepayers and one level of government calls them taxpayers, but the same people just call themselves everyday people and they want to get good value for money for the rates they pay and for the tax they pay. We have to empower local governments to do that and I think that has been the hallmark of what we have seen in the changing approach.

**CHAIR:** Thank you, Minister. We are going to appeal against the light. The time allocated for consideration of the proposed expenditure for the Minister for Local Government, Community Recovery and Resilience has now expired. Minister, on behalf of the committee, I thank you and your advisers for your attendance. I remind all visitors that the draft of the *Hansard* transcript will be published on the parliamentary website usually within two hours of completion of the portfolio hearing. I remind you that your answers to questions taken on notice at today's hearing are to be provided to the research director by 5 pm on Friday, 26 July 2013.

The committee has concluded its examination of the matters referred to it by the parliament. On behalf of the committee, I thank officers of the Parliamentary Service for their assistance at today's hearing. I declare the Transport, Housing and Local Government Committee estimates hearing closed.

**Committee adjourned at 6.30 pm**